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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92055403
Party	Defendant Thanh Nguyen
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Date	05/22/2012
Attachments	2012 05 22 Respondent's Response to Motion to Reconsider Stay.pdf (130 pages)(5227564 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

BARRY BIONDO, d/b/a
TIPSY SPA AND SALON INC.,

Cancellation No.: 92055403
Serial No.: 77093533

v.

THANH NGUYEN, an individual,

/

**RESPONDENT, THANH NGUYEN'S, RESPONSE TO CLAIMANT'S MOTION FOR
RECONSIDERATION TO STAY CANCELLATION PROCEEDING**

COMES NOW, Respondent, THANH NGUYEN, pursuant to Trademark Rules of Practice Sections 2.127(b), and hereby responds to Claimant's Motion to Reconsider a Stay of the Cancellation Proceeding, and requests that the TTAB deny the Motion, because the movant has not demonstrated any error in entering the stay, and the stay should remain in place during the pendency of the federal litigation between the same parties, involving the same mark and as support states as follows:

A. Facts

1. On February 23, 2012, Respondent, THANH NGUYEN, filed his First Amended Complaint in the United States District Court in the Southern District of Florida, captioned *Thanh Nguyen, an Individual, and Luong Nguyen, an Individual, Plaintiffs, vs. Barry Biondo, an Individual, and Tippy Spa and Salon Inc., a Florida corporation*, Case No.: 9:11-CV-81156-Middlebrooks, a copy of the First Amended Complaint is attached as **Exhibit "A,"** without Exhibits.

PAGE, MRACHEK, FITZGERALD & ROSE, P.A.

Attorneys at Law

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2. On March 8, 2012, Claimant, BARRY BIONDO (Defendant in the federal litigation), filed an Answer, Affirmative Defenses and Counterclaim to Plaintiffs' First Amended Complaint. A copy of same is attached as **Exhibit "B,"** without Exhibits.

3. On March 29, 2012, Claimant filed a Petition for Cancellation of Respondent, THANH NGUYEN's, "Topsy" trademark.

4. On April 2, 2012, Respondent, Plaintiff in the civil action, filed a Motion to Dismiss Defendants' Counterclaim for Federal Trademark Registration with False or Fraudulent Representations. A copy of which is attached as **Exhibit "C."**

5. On April 12, 2012, Respondents filed a Motion to Stay this Cancellation proceeding pending the outcome of ongoing federal litigation between the parties.

6. Also on April 12, 2012, the Board granted Respondent's Motion to Stay. A copy of the Order is attached as **Exhibit "D."**

7. On April 14, 2012, Claimants filed a Motion to Reconsider that Stay based on similar allegations as were included in the Petition to Cancel.

8. Respondent did not receive the Motion for Reconsideration until April 27, 2012, due to a service error.

9. Respondent's counsel spoke with opposing counsel on April 27, 2012, regarding the Motion for Reconsideration, and the similarity between the claims alleged in the federal litigation and the allegations raised in the Petition to Cancel.

10. During that conversation, Claimant's counsel informed the undersigned that she did not represent Claimant in the civil action, she was under no obligation to review those pleadings and would not discuss their impact on the Cancellation any further.

11. Two days prior to Respondent's receipt of the Motion for Reconsideration, on April 25, 2012, the Court in the civil action issued an Order to Show Cause to Defendants as to why their Counterclaim should not be dismissed after failing to respond to Plaintiffs' Motion to Dismiss. A copy of the Order is attached as **Exhibit "E."**

12. On April 30, 2012, Defendants requested that the Court "delete" the Counterclaim for Federal Trademark Registration with False or Fraudulent Representations, citing the fact that "until just recently have the Defendants come [sic] to unanimous decision in regards to the counterclaim based on Federal Trademark Registration with False or Fraudulent Representations due to complexity [sic] of this legal issue and amount of legal research involved in analysis such [sic] issue." A copy of the Defendants' Response to the Order to Show Cause is attached as **Exhibit "F."**

13. On May 9, 2012, the Federal District Court dismissed with prejudice Defendants' Counterclaim. The Court stated, "[i]n their untimely Response, Defendants agree that Plaintiffs' Motion should be granted because they failed to plead a cause of action for fraudulent procurement of a federally-registered trademark ... Defendants' Counterclaim for Fraudulent Procurement of a Federal Registered Trademark is **DISMISSED WITH PREJUDICE.**" (emphasis in original). A copy of the Order of dismissal is attached as **Exhibit "G."**

14. On May 14, 2012, the parties in the civil action filed competing Motions for Summary judgment on all nine Counts of Plaintiffs' First Amended Complaint and on the Affirmative Defenses. A copy of Plaintiffs' Motion for Summary Judgment and Defendants' Motion for Summary Judgment are attached as **Exhibit "H" and "I," respectively.**

15. Those Motions are currently pending before the Court and may resolve all the pending issues in that case.

B. Brief

1. The Stay of the Cancellation should Remain in Effect.

The current Stay of the Cancellation should remain in effect pending the outcome of the federal litigation. "Generally, the premise underlying a motion for reconsideration, modification or clarification under 37 CFR § 2.127(b) is that, based on the facts before it and the prevailing authorities, the Board erred in reaching the order or decision it issued. Such a motion may not properly be used to introduce additional evidence, nor should it be devoted simply to a reargument of the points presented in a brief on the original motion." TBMP § 518.

Here, Respondent has not demonstrated that the stay was legal error. Respondent's nine claims against Claimant in the federal litigation are likely to be dispositive of or have an impact on the Cancellation proceeding. The identical parties, and the same Mark, are at issue in the federal litigation. The claims and defenses overlap with the claims asserted by Barry Biondo in this proceeding. As a result, the current stay should remain in effect pending the outcome of the federal litigation.

"It is the policy of the Board to suspend proceedings when the parties are involved in a civil action which may be dispositive of or have a bearing on the Board case." *Arcadia Group Brands Ltd. v. Studio Moderna SA*, 2011 WL 3218630 *2, Opp. No. 91169226, Can. No. 92049146 (TTAB January 6, 2011); Trademark Rule 2.117(a); *General Motors Corp. v. Cadillac Club Fashions Inc.*, 22 USPQ2d 1933, 1937 (TTAB 1992). This is true even when the district court action may not dispose of all the issues before the Board as the standard is whether it may have a bearing on the case. See Trademark Rule 2.117(a). "The Board's final decision would be merely advisory, and not binding in respect to the proceeding pending before the federal district court." *Arcadia Group Brands*, 2011 WL3218630 *3 (citing *Whopper-Burger, Inc. v. Burger King Corp.*, 171 USPQ 805, 807 (TTAB 1971). "In contrast, the federal court determination of a trademark issue normally has a binding effect in subsequent proceedings before the Board involving the same parties and issue." *Id.*

WHEREFORE Respondent, THANH NGUYEN, requests this Board: (1) grant Respondent's Motion to Dismiss Claimant's Petition to Cancel based on Res Judicata; (2) deny Claimant's Motion for Reconsideration; (3) in the event the Petition to Cancel is not dismissed, continue to Stay the Cancellation proceeding pending the outcome of the federal litigation; (4) re-set all discovery deadlines accordingly; and (5) for any other relief that this Board deems equitable and just.

Respectfully submitted,

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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that on the 22nd day of May 2012, we electronically filed the foregoing document with the United States Patent and Trademark Office through the Trademark Trial and Appeal Board. We also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service List by email.

Respectfully submitted,

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SERVICE LIST

**BARRY BIONDO, d/b/a
TIPSY SPA AND SALON INC., a
Florida Corporation
vs.
THANH NGUYEN, an individual**

**Cancellation No.: 92055403
Serial No.: 77093533**

**UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD**

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Respondent's Response to Motion to Reconsider Stay.wpd

EXHIBIT

“A”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.: 9:11-CV-81156-MIDDLEBROOKS

THANH NGUYEN, an individual, and
LUONG NGUYEN, an individual

Plaintiffs,

v.

BARRY BIONDO, an individual,
TIPSY SPA AND SALON INC., a Florida corporation

Defendants.

PLAINTIFFS' FIRST AMENDED COMPLAINT

Plaintiffs, THANH NGUYEN, an individual, and LUONG NGUYEN, an individual (collectively "Plaintiffs"), by and through their undersigned attorneys, sue Defendants, BARRY BIONDO, an individual, and TIPSY SPA AND SALON INC., a Florida corporation (collectively, "Defendants") for trademark infringement, cybersquatting, unjust enrichment, and breach of contract, and in support thereof state as follows:

JURISDICTION AND VENUE

1. This is an action for damages in excess of the jurisdictional amount of Seventy-Five Thousand (\$75,000.00) Dollars U.S., exclusive of reasonable attorneys' fees and costs.
2. This Court has subject matter jurisdiction over the claims in this action based on a federal question under 15 U.S.C. §1121(a), 28 U.S.C. § 1331, and 28 U.S.C. 1338(a), since it arises under the Lanham Act.

3. This Court has personal jurisdiction over each of the Defendants because: (a) at all relevant times, the Defendants, in connection with the allegations in this Complaint, have transacted business in the State of Florida; (b) the Defendants committed tortious acts within the State of Florida; (c) the Defendants have offices in the State of Florida and within this district; and (d) the Defendants have headquarters in the State of Florida and within this district. Further, the Defendants are engaged in solicitation and service activities within Florida and are breaching obligations under an agreement that required performance, in part, in this state.

4. This Court has personal jurisdiction over the Defendants by virtue of their substantial and continuous contacts with the State of Florida.

5. Venue is proper in this district pursuant 28 U.S.C. § 1391(a), (b) & (c).

6. Venue is proper in this district because the Defendants' acts, omissions, and the events giving rise to Plaintiffs' causes of action, occurred within or were directed to this district; and Defendants maintain headquarters in this district.

THE PARTIES

7. Plaintiff, THANH NGUYEN is a Florida resident and is otherwise sui juris. THANH NGUYEN owns United States Trademark number 77093533, and Florida State Trademark number T09000001204.

8. Plaintiff, LUONG NGUYEN is a Florida resident and is otherwise sui juris.

9. Defendant, TIPSYP SPA AND SALON INC., is an active Florida corporation with its principal address at 10120 Forest Hill Blvd., Suite 100, Wellington, Florida 33414.

10. Defendant, BARRY BIONDO, is a Florida resident and is otherwise sui juris.

BARRY BIONDO is a shareholder in TIPSYP SPA AND SALON INC.

FACTS COMMON TO ALL CLAIMS

Opening of the Salons and Acquisition of the “Topsy” Mark

11. On January 29, 2007, THANH NGUYEN applied for federal trademark protection in the “Topsy” name and mark (the “Mark” or the “Topsy” Mark”). On November 11, 2008, the United States Patent and Trademark Office granted THANH NGUYEN’s federal trademark application. A true and correct copy of Plaintiff’s federal “Topsy” Mark is attached hereto as **Exhibit “1.”**

12. On November 19, 2009, THANH NGUYEN was granted a Florida Trademark on the “Topsy” Mark. Plaintiff’s “Topsy” Mark is inherently distinctive (arbitrary, fanciful or novel) or suggestive or has acquired secondary meaning.

13. By virtue of the Plaintiff, THANH NGUYEN, use of the “Topsy” Mark in salon businesses having bar services and in which THANH NGUYEN has a financial interest, registration of the “Topsy” Mark with the United States Patent and Trademark Office, and registration of the “Topsy” Mark with the Florida Department of State, THANH NGUYEN enjoys the exclusive use of the “Topsy” Mark in connection with nail salon and spa services business, Plaintiff has acquired all rights in the “Topsy” Mark.

Expansion of the Business and association with BARRY BIONDO

14. After several years of utilizing the “Topsy” Mark in business, THANH NGUYEN and LUONG NGUYEN, associated with Defendant, BARRY BIONDO, to open a Topsy Nail Spa and Salon at 1037 State Road #7, Suite 112, Wellington, Florida 33414 (“Wellington Nail Spa and Salon”).

15. For a period of time, the parties jointly operated the Wellington Nail Spa and Salon

under the "Topsy" Mark.

16. In or about 2010, a disagreement occurred regarding the ownership and operation of the Wellington Nail Spa and Salon.

17. As a result of the disagreement, on or about March 11, 2010, THANH NGUYEN and LUONG NGUYEN, as sellers, and BARRY BIONDO, as buyer, entered into a Business Sale Agreement to resolve their disagreement. A true and correct copy of the Business Sale Agreement is attached hereto as **Exhibit "2."**

18. Pursuant to the Business Sale Agreement, BARRY BIONDO purchased the fixtures, furnishings, and equipment of the Wellington Nail Spa and Salon, and the right to operate the Wellington Nail Spa and Salon as a competing business at the Wellington location for \$164,000.00. BARRY BIONDO agreed to pay a \$20,000 down payment and to pay the balance of the purchase price in weekly installment payments. *See Business Sale Agreement ¶¶ 1 & 2.*

19. The Business Sale Agreement permitted BARRY BIONDO to use the "Topsy" Mark in connection with the Wellington Nail Spa and Salon *only* for the period of one (1) year from the date of the Agreement.

20. The Business Sale Agreement specifically states that BARRY BIONDO did *not* purchase the "Topsy" name or the "Topsy" Mark. *See Business Sale Agreement ¶ 8.*¹

21. BARRY BIONDO agreed that he would not use the "Topsy" name or the "Topsy"

¹ Paragraph 8 of the Business Sale Agreement states in part, "The PARTIES further agree that BUYER shall be entitled, for a period of one (1) year after the execution of this document to continue operating the BUSINESS using the name 'Topsy'. The PARTIES further agree that the right to the use of the name 'Topsy' or any mark associated with that business name is not being purchased by BUYER. The following assets are not part of the sale to BUYER and shall be retained by SELLERS: (a) all rights, marks, etc. associated with the name 'Topsy' (except that BUYER will be granted a one (1) year usage right of the name in order to transition into another name); and (b) all rights under contracts and commitments of SELLERS which are not expressly assumed by BUYER under the Agreement. As it related to the website, BUYER shall redirect the domain name Tipsyspa.com to another location without the name 'Topsy' after one (1) year."

Mark after March 11, 2011, and that he would use a different name for his Wellington Nail Spa and Salon after March 11, 2011.

22. On July 16, 2010, shortly after the execution of the Business Sale Agreement, BARRY BIONDO incorporated TIPSYP SPA AND SALON INC., in order to operate the Wellington Nail Spa and Salon.

BARRY BIONDO's Breach of the Business Sale Agreement, Infringement on Plaintiff's "Topsy" Mark, and Misrepresentations to the USPTO

23. In direct violation of Plaintiff's rights, and in contravention of the express terms of the Business Sale Agreement, BARRY BIONDO and the TIPSYP SPA AND SALON INC., continued to use the "Topsy" Mark and "Topsy" name after March 11, 2011.

24. BARRY BIONDO and the TIPSYP SPA AND SALON INC., continue to use a mark that is identical or confusingly similar to Plaintiff's "Topsy" Mark, in connection with Defendants' nail salon and spa² services, which include bar services, and in direct competition with Plaintiffs' business.

25. The Defendants are improperly using an identical or substantially similar counterfeit "Topsy" mark on their business facade, in print advertising, in television advertising, on the Internet under www.Tipsyspa.com, on the Internet in search engines, on the Internet in their web sites' metatags, and in other mediums. *See Composite Exhibit "3"* for examples of Defendants' continued use of Plaintiff's name and Mark.

26. Further, BARRY BIONDO has failed to pay the amounts due and owing under the

² BARRY BIONDO has now relocated the Wellington Nail Spa and Salon to 10120 Forest Hill Blvd., Suite 100, Wellington, Florida 33414.

Business Sale Agreement.

27. In a blatant attempt to circumvent Plaintiff's rights in the "Topsy" Mark, BARRY BIONDO, d/b/a TIPSY SPA AND SALON, filed a federal trademark application for "Topsy Spa Salon." A true and correct copy of BARRY BIONDO's trademark application dated March 21, 2011, serial number 85272051, is attached hereto as **Exhibit "4."**

28. The federal trademark application filed by BARRY BIONDO, d/b/a TIPSY SPA AND SALON, was filed on March 21, 2011, a mere ten days after BARRY BIONDO was required to cease using Plaintiff's "Topsy" Mark.

29. In connection with the application for the federal trademark, BARRY BIONDO falsely swore to the USPTO the following declaration:

The undersigned, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.

30. Defendants are continuing to intentionally and improperly use an identical or substantially similar counterfeit to Plaintiff's "Topsy" Mark in connection with their nail and salon business, in direct competition with Plaintiffs.

31. The "Topsy" mark being used by the Defendants is identical or confusingly similar to

Plaintiff's "Topsy" Mark.

32. Defendants' use of an identical or substantially similar counterfeit "Topsy" name and mark is an intentional attempt to confuse the public into believing the Defendants' business and services are associated with Plaintiff's business and services.

33. The Defendants' intentional use of the identical or substantially similar counterfeit "Topsy" Mark is causing substantial customer confusion as to the sponsorship of the goods and services, and harming the reputation of Plaintiff's business and the "Topsy" Mark.

34. Defendants are intentionally attempting to palm off the name and reputation of Plaintiff's "Topsy" Mark and are creating a false designation of the origin of Defendants' services.

35. Defendants are direct competitors of Plaintiffs.

36. As of the filing date of this Verified Complaint, the Defendants are continuing to use an identical or substantially similar "Topsy" Mark.

37. Plaintiffs' have retained the undersigned law firm and have agreed to pay it a reasonable fee for the services related to this matter.

38. All conditions precedent to the initiation and maintenance of this action have been performed, have occurred, are excused, or have been waived.

39. Plaintiffs' are entitled to their costs and attorneys fees in this action pursuant to the Business Sale Agreement, and 15 U.S.C. § 1117.

Count I
(Trademark Infringement Under Section 32(1) of the
Lanham Act (15 U.S.C. §1114))

40. Plaintiff, THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set

forth herein.

41. This is a claim for damages and injunctive relief under the Lanham Act by Plaintiff THANH NGUYEN, against all Defendants.

42. The "Topsy" Mark, and the goodwill of the business associated with it in the State of Florida and throughout the United States, are of great and incalculable value, are highly distinctive and arbitrary, and have become universally associated in the public mind with the services of the very highest quality and reputation in spa and salon services with bar services in the "Topsy" Mark.

43. Without THANH NGUYEN'S authorization or consent, and having knowledge of THANH NGUYEN'S well-known and prior rights in the "Topsy" Mark, Defendants have advertised, marketed, and offered services in or affecting interstate commerce using the infringing "Topsy" Mark to the consuming public in direct competition with THANH NGUYEN'S "Topsy" Mark long after the March 11, 2011, date on which Defendant, BARRY BIONDO was required to cease using the "Topsy" Mark under the Agreement.

44. Defendants' use of copies, counterfeits, or colorable imitations of the "Topsy" Mark in the form of the infringing mark is likely to cause and is causing confusion, mistake and deception among the general purchasing public, including initial interest confusion.

45. Defendants' unauthorized use of the infringing mark on or in connection with its services was done with notice and full knowledge that such was not authorized or licensed by THANH NGUYEN after March 11, 2011. Defendants have used and continue to willfully use the infringing mark with the intent to confuse, mislead, or deceive customers, purchasers, and members of the general public as to the origin, source, sponsorship, or affiliation of Defendants' salon

services, and with the intent to trade on the "Tipsy" Mark's reputation and goodwill.

46. As a direct and proximate result of Defendants' conduct, THANH NGUYEN has suffered damage to its valuable "Tipsy" Mark, and other damages, in an amount that exceeds \$75,000.

47. THANH NGUYEN does not have an adequate remedy at law, and will continue to be damaged by Defendants' actions unless this Court enjoins Defendants from such business practices.

WHEREFORE, Plaintiff, THANH NGUYEN, respectfully requests this Court enter Judgment against Defendants BARRY BIONDO and TIPSY SPA AND SALON INC., and in favor of Plaintiff THANH NGUYEN for the following:

- a. Granting, pursuant to 15 U.S.C. § 1117, an accounting, an award of the Defendants' profits, and any other damages should the court find the award based on profits inadequate;
- b. Granting, pursuant to 15 U.S.C. § 1117, an award of attorneys' fees, and costs;
- c. Granting an award of damages, exemplary damages consisting of treble damages and punitive damages in an amount sufficient to deter the Defendants from engaging in unlawful conduct in the future, pre-and post-judgment interest, costs and attorneys' fees;
- d. Granting a temporary, preliminary, and permanent injunction preventing BARRY BIONDO, TIPSY SPA AND SALON, INC., and their agents with knowledge of this injunction, from further engaging in the unlawful conduct

set forth in this Complaint;

- e. Granting all further relief this court finds equitable and just.

Count II

(False Designation of Origin under Lanham Act 43(a) (15 U.S.C. § 1125(a))

48. Plaintiff THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

49. THANH NGUYEN is the sole owner of the "Topsy" Mark. The "Topsy" Mark is arbitrary, fanciful or suggestive marks. The "Topsy" Mark has come to symbolize the reputation for quality and excellence in spa and salon services, and THANH NGUYEN has build up and owns valuable goodwill that is symbolized by the "Topsy" Mark. Members of and consumers in the market for luxury spa and salon services which also feature bar services identify the "Topsy" Mark as the source of that service which employs use of the "Topsy" Mark.

50. Defendants' use of reproductions, copies, counterfeits, or colorable imitations of the "Topsy" Mark in the form of the infringing mark constitute false designations of the origin and/or sponsorship of Defendants' services in violation of Section 43(a) of the Lanham Act.

51. Defendants' unauthorized use of the infringing mark on or in connection with Defendants' services, as alleged above, is likely to confuse, mislead, or deceive customers, purchasers, and members of the general public as to the origin, source, sponsorship, or affiliation of Defendants' services, including as to initial interest confusion, and is likely to cause such people to believe in error that Defendants' services have been authorized, sponsored, approved, endorsed, or licensed by THANH NGUYEN, or that Defendants are in some way affiliated with THANH NGUYEN.

52. Defendants unauthorized use of the infringing mark on or in connection with its services was done with notice and full knowledge that such use was not authorized or licensed by THANH NGUYEN. Defendants have used and continue to use the infringing mark with the intent to confuse, mislead, or deceive customers, purchasers, and members of the general public as to the origin, source, sponsorship, or affiliation of Defendants' services, and with the intent to trade on THANH NGUYEN'S reputation and goodwill.

53. As a direct and proximate result of Defendants' conduct, THANH NGUYEN has suffered damage to its valuable "Topsy" Mark, and other damages, in an amount that exceeds \$75,000.

54. THANH NGUYEN does not have an adequate remedy at law, and will continue to be damaged by Defendants' actions unless this Court enjoins Defendants from such business practices.

WHEREFORE, Plaintiff THANH NGUYEN, respectfully request this Court enter Judgment against Defendants BARRY BIONDO and TIPSYP SPA AND SALON INC., and in favor of Plaintiff, THANH NGUYEN, for the following:

- a. Granting, pursuant to 15 U.S.C. § 1116, a temporary, preliminary and permanent injunction prohibiting Defendants or their respective officers, agents, servants, employees, and/or all other persons, businesses or entities acting in concert or participation with them from 1) using Plaintiff's "Topsy" name or the "Topsy" Mark or any confusingly similar variations thereof, alone or in combination with any other letters, words, letter strings, phrases, or designs, in commerce or in connection with any business or for any other purpose (including, but not limited to, on building facades, print advertising,

television advertising, radio advertising, websites and/or domain names); 2) transferring, assigning, selling, or attempting the disposition of Plaintiff's "Topsy" name or "Topsy" Mark to any third party; and 3) whatever other injunctive relief this court deems reasonable and just according to the principals of equity;

- b. Granting, pursuant to 15 U.S.C. §1118, an order permanently enjoining and directing Defendants and their respective officers, agents, servants, employees, and/or all other persons, businesses or entities acting in concert or participation with them, to deliver up for destruction all promotional materials, building facades, handouts, advertisements, labels, signs, prints, packages, wrappers, photographs, videos, truck or vehicle paintings or logos, websites, internet marketing, software, business cards, or any other reproduction, copy, or confusingly similar variations of Plaintiff's "Topsy" Mark, and all plates, molds, matrices, and other means of making or duplicating the same;
- c. Granting, pursuant to 15 U.S.C. §1117, an award of actual damages in an amount to be proven at trial but in no event less than \$75,000, such amount to be trebled pursuant to 15 U.S.C. §1117(a), for an accounting, disgorgement and restitution by Defendants to THANH NGUYEN of all amounts derived by Defendants by virtue of its unlawful conduct, such amount to be trebled pursuant to 15 U.S.C. §1117(a), punitive damages, prejudgment interest,

attorneys' fees and costs; and

- d. Granting all further relief that this Court finds equitable and just.

Count III
(Cybersquatting-Damages)

55. Plaintiff THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

56. This is a claim for damages for Cybersquatting by Plaintiff, THANH NGUYEN, against all Defendants.

57. Defendants' have a bad faith intent to profit from the "Topsy" Mark.

58. Defendants have registered, traffic in, and use a domain name, www.Tipsyspa.com that is identical, confusingly similar, or dilutive of the "Topsy" Mark.

59. As a direct and proximate result of the Defendants' conduct, Plaintiff, THANH NGUYEN, has suffered, and will continue to suffer, monetary damages.

WHEREFORE, Plaintiff THANH NGUYEN, respectfully requests this Court enter Judgment against Defendants BARRY BIONDO and TIPSYP SPA AND SALON INC., and in favor of Plaintiff for the following:

- a. Granting, pursuant to 15 U.S.C. § 1117, an accounting and an award of the Defendants' profits, damages sustained by Plaintiff, THANH NGUYEN, the costs of this action, and any other damages should the court find the award based on profits inadequate;
- b. Granting, pursuant to 15 U.S.C. § 1117, an award of attorneys' fees;
- c. Granting an award of damages, exemplary damages consisting of treble

damages and punitive damages in an amount sufficient to deter the Defendants from engaging in unlawful conduct in the future, pre-and post-judgment interest, costs and attorneys' fees;

- d. Granting all further relief this court finds equitable and just.

Count IV
(Cybersquatting - Injunction)

60. Plaintiff, THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

61. This is a claim by THANH NGUYEN, against Defendants, for injunctive relief to prevent Cybersquatting.

62. Defendants have a bad faith intent to profit from the "Topsy" Mark.

63. Defendants have registered, traffic in, and use a domain name, www.Tipsyspa.com that is identical, confusingly similar, or dilutive of the "Topsy" Mark.

64. As a direct and proximate result of the Defendants' conduct, Plaintiff, THANH NGUYEN, has suffered, and will continue to suffer irreparable injury to his business, reputation, and goodwill.

WHEREFORE, Plaintiff, THANH NGUYEN, respectfully requests this Court enter Judgment against Defendants BARRY BIONDO and TIPSYP SPA AND SALON INC., and in favor of Plaintiff THANH NGUYEN, for the following:

- a. Granting, pursuant to 15 U.S.C. § 1116, a temporary and permanent injunction prohibiting Defendants or their respective officers, agents,

servants, employees, and/or all other persons, businesses or entities acting in concert or participation with them from 1) using the "Topsy" Mark or any confusingly similar variations thereof on the Internet or on a domain name, alone or in combination with any other letters, words, letter strings, phrases, or designs, in commerce or in connection with any business or for any other purpose and 2) whatever other injunctive relief this court deems reasonable and just according to the principals of equity;

- b. Granting, pursuant to 15 U.S.C. §1117, an award of attorneys' fees; and
- c. Granting all further relief this court finds equitable and just.

Count V
(Unjust Enrichment)

65. Plaintiff, THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

66. This is a claim by THANH NGUYEN, against Defendants, for unjust enrichment.

67. As a direct and proximate result of the Defendants' conduct complained of herein, Plaintiff, THANH NGUYEN, has suffered and will continue to suffer loss of reputation, and pecuniary damages.

68. Plaintiff, THANH NGUYEN, has created value and generated goodwill in the "Topsy" Mark.

69. The Defendants have traded on this value and goodwill, and on THANH NGUYEN's reputation through deceptive, unfair and unlawful practices in using Plaintiff's "Topsy" Mark after March 11, 2011.

70. As a result of the Defendants' actions, a benefit has been bestowed upon the Defendants and the Defendants have realized and generated economic and other benefits at THANH NGUYEN's expense.

71. Plaintiff, THANH NGUYEN, has not authorized, acquiesced in, or otherwise agreed to the Defendants' use of the Plaintiff's "Tippy" Mark past March 11, 2011.

72. It would be inequitable for the Defendants to retain the benefits accrued through their unlawful conduct.

WHEREFORE, Plaintiff THANH NGUYEN, respectfully requests this Court enter judgment against Defendants BARRY BIONDO and TIPPY SPA AND SALON INC., for damages, interest, and for any other relief this Court deems equitable and just.

Count VI
(Breach of Contract- Damages)

73. THANH NGUYEN and LUONG NGUYEN re-allege and affirm paragraphs 1 through 39 as if set forth herein.

74. THANH NGUYEN, LUONG NGUYEN and BARRY BIONDO entered into the Business Sale Agreement on or about March 11, 2010.

75. BARRY BIONDO has materially breached the Business Sale Agreement by continuing to use the "Tippy" name and "Tippy" Mark in connection with the Defendants' business and services after March 11, 2011.

76. BARRY BIONDO has materially breached the Business Sale Agreement by continuing to use the "Tippy" name and "Tippy" Mark in connection with the Defendants' business

and services after March 11, 2011.

77. BARRY BIONDO has materially breached the Business Sale Agreement by failing to pay the amounts due and owing under the Business Sale Agreement.

78. BARRY BIONDO has materially breached the Business Sale Agreement by failing to redirect the domain name www.Tipsyspa.com to a domain name that does not include the "Topsy" name and Mark.

79. THANH NGUYEN and LUONG NGUYEN have suffered damages as a result of BARRY BIONDO's breach of contract.

80. Pursuant to the Business Sale Agreement, THANH NGUYEN and LUONG NGUYEN are entitled to their attorneys' fees and costs in this action.

WHEREFORE, Plaintiffs, THANH NGUYEN and LUONG NGUYEN, respectfully request this Court enter judgment against Defendant BARRY BIONDO for damages, punitive damages, attorneys fees and costs, interest to the fullest extent permissible by Florida law, and for any other relief this Court deems equitable and just.

Count VII
(Breach of Contract- Injunction)

81. Plaintiffs, THANH NGUYEN and LUONG NGUYEN, re-allege and affirm paragraphs 1 through 39 as if set forth herein.

82. This is a cause of action for both temporary and permanent injunctions in favor of Plaintiffs THANH NGUYEN and LUONG NGUYEN, to enjoin Defendant, BARRY BIONDO'S continued use of the "Topsy" Mark.

83. Defendant, BARRY BIONDO, agreed not to use Plaintiff, THANH NGUYEN'S

"Tipsy" Mark one (1) year after the execution of the Business Sale Agreement.

84. BARRY BIONDO is violating the Agreement by continuing to use the "Tipsy" Mark in conjunction with his spa and salon after March 11, 2011.

85. Plaintiffs, THANH NGUYEN and LUONG NGUYEN, have no adequate remedy at law.

86. The issuance of an injunction is in the public interest.

87. The Defendants' acts, unless restrained by the Court, have and will continue to cause irreparable injury to THANH NGUYEN and to the public.

88. Plaintiffs are likely to succeed on the merits.

WHEREFORE, Plaintiffs THANH NGUYEN and LUONG NGUYEN, respectfully request this Court enter Judgment against Defendants BARRY BIONDO and TIPSYP SPA AND SALON, INC., and in favor of Plaintiffs THANH NGUYEN and LUONG NGUYEN, granting them a preliminary and permanent injunction preventing Barry Biondo, Topsy Spa and Salon, Inc., and any agents of Defendants with notice of the injunction from using the "Tipsy" Mark in connection with their spa and salon services, attorney fees and costs.

Count VIII
(Common Law Trademark Infringement)

89. Plaintiff, THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

90. Defendants conduct as described above constitutes trademark infringement and passing off in violation of the common law of the State of Florida.

91. Defendants acts of trademark infringement constitute intentional misconduct and/or

gross negligence within the meaning of Fla. Stat. § 768.72(2)(a)-(b), entitling THANH NGUYEN to both compensatory damages in an amount to be determined at trial, but in no event less than \$75,000, and punitive damages under the common law and under Fla. Stat. § 768.72.

92. THANH NGUYEN does not have an adequate remedy at law, and will continue to be damaged by Defendants' actions unless this Court enjoins Defendants from such business practices.

93. THANH NGUYEN has a clear legal right to injunctive relief.

WHEREFORE, THANH NGUYEN respectfully requests this Court enter a permanent injunction preventing BARRY BIONDO, TIPSYP SPA AND SALON, INC., and any agents of Defendants with knowledge of the injunction from using the "Topsy" Mark in connection with their spa and salon services, damages, punitive damages, prejudgment interest, attorney's fees and costs.

Count IX
(Trademark Dilution, Fla. Stat. § 495.151 et seq.)

94. Plaintiff, THANH NGUYEN, re-alleges and affirms paragraphs 1 through 39 as if set forth herein.

95. Plaintiff, THANH NGUYEN is the sole owner of the "Topsy" Mark. THANH NGUYEN has used and continues to use the "Topsy" Mark in commerce, including in Florida and in interstate commerce.

96. Defendants actions as described above have caused and will cause injury to THANH NGUYEN'S business reputation and/or dilution of the distinctive quality of the "Topsy" Mark as defined in Fla. Stat. § 495.151.

97. As a direct and proximate result of Defendants' conduct, THANH NGUYEN has suffered damage to its valuable "Topsy" Mark, and other damages.

98. THANH NGUYEN does not have an adequate remedy at law, and will continue to be damaged by Defendants' actions unless this Court enjoins Defendants from such business practices.

WHEREFORE, THANH NGUYEN respectfully requests that this Court enter an injunction against Defendants BARRY BIONDO and TIPSYP SPA AND SALON, INC. and any agents of Defendants with knowledge of the injunction from using the "Topsy" Mark in connection with their spa and salon services, damages, attorney's fees and costs, and such further relief this Court finds equitable and just.

Respectfully submitted,

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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that on the 17th day of February 2012, we electronically filed the foregoing document with the Clerk of the Court via CM/ECF. We also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission or Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filings.

Respectfully submitted,

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SERVICE LIST

THANH NGUYEN AND LUONG NGUYEN

vs.

BARRY BIONDO AND TIPSYP SPA AND SALON, INC.

CASE NO: 9:11-CV-81156-MIDDLEBROOKS

United States District Court, Southern District of Florida

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Complaint_Filed as Exhibit.doc

EXHIBIT “B”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

THANH NGUYEN, et al.,

CASE NO. 11-81156 - CIV-
MIDDLEBROOKS/JOHNSON

Plaintiffs,

v.

BARRY BIONDO, an individual, TIPSYP SPA
AND SALON INC., a Florida Corporation,,

Defendants.

DEFENDANTSS. BARRY BIONDO'S AND TIPSYP SPA AND SALON INC.'S.
ANSWER. AFFIRMATIVE DEFENSES AND COUNTERCLAIM

Defendants, BARRY BIONDO, an individual, and TIPSYP SPA AND SALON INC., a Florida corporation, (hereinafter "Defendants"), through their undersigned counsel, answers Plaintiff's Complaint as follows:

1. Defendants without sufficient knowledge of the allegations in paragraph 1 to admit or deny, and therefore denies.
2. Defendants without sufficient knowledge of the allegations in paragraph 2 to admit or deny, and therefore denies.
3. Defendants without sufficient knowledge of the allegations in paragraph 3 to admit or deny, and therefore denies.
4. Defendants without sufficient knowledge of the allegations in paragraph 4 to admit or deny, and therefore denies.
5. Defendants without sufficient knowledge of the allegations in paragraph 5 to admit or deny, and therefore denies.
6. Defendants without sufficient knowledge of the allegations in paragraph 6 to admit or deny, and therefore denies.
7. Defendants without sufficient knowledge of the allegations in paragraph 7 to admit or deny, and therefore denies.

8. Defendants without sufficient knowledge of the allegations in paragraph 8 to admit or deny, and therefore denies.

9. Defendants admit the allegations in paragraph 9.

10. Defendants admit the allegations in paragraph 10.

11. Defendants without sufficient knowledge of the allegations in paragraph 11 to admit or deny, and therefore denies.

12. Defendants without sufficient knowledge of the allegations in paragraph 12 to admit or deny, and therefore denies.

13. Defendants deny the allegations in paragraph 13.

14. Defendants without sufficient knowledge of the allegations in paragraph 14 to admit or deny, and therefore denies.

15. Defendants without sufficient knowledge of the allegations in paragraph 15 to admit or deny, and therefore denies.

16. Defendants without sufficient knowledge of the allegations in paragraph 16 to admit or deny, and therefore denies.

17. Defendants without sufficient knowledge of the allegations in paragraph 17 to admit or deny, and therefore denies.

18. Defendants without sufficient knowledge of the allegations in paragraph 18 to admit or deny, and therefore denies.

19. Defendants without sufficient knowledge of the allegations in paragraph 19 to admit or deny, and therefore denies.

20. Defendants deny the allegations in paragraph 20.

21. Defendants deny the allegations in paragraph 21.

22. Defendants admit the allegations in paragraph 22.

23. Defendants deny the allegations in paragraph 23.

24. Defendants deny the allegations in paragraph 24.

25. Defendants deny the allegations in paragraph 25.

26. Defendants deny the allegations in paragraph 26.

27. Defendants deny the allegations in paragraph 27.

28. Defendants deny the allegations in paragraph 28.

29. Defendants deny the allegations in paragraph 29.

30. Defendants deny the allegations in paragraph 30.

31. Defendants deny the allegations in paragraph 31.

32. Defendants deny the allegations in paragraph 32.

33. Defendants deny the allegations in paragraph 33.

34. Defendants deny the allegations in paragraph 34.

35. Defendants deny the allegations in paragraph 35.

36. Defendants deny the allegations in paragraph 36.

37. Defendants without sufficient knowledge of the allegations in paragraph 37 to admit or deny, and therefore denies.

38. Defendants deny the allegations in paragraph 38.

39. Defendants without sufficient knowledge of the allegations in paragraph 39 to admit or deny, and therefore denies.

Count I

(Trademark Infringement Under Section 32(1) of the Lanham Act (15 U.S.C. §1114)

40. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

41. Defendants are without sufficient knowledge of the allegations in paragraph 41 to admit or deny, and therefore denies.

42. Defendants without sufficient knowledge of the allegations in paragraph 42 to admit or deny, and therefore denies.

43. Defendants deny the allegations in paragraph 43.

44. Defendants deny the allegations in paragraph 44.

45. Defendants deny the allegations in paragraph 45.

46. Defendants deny the allegations in paragraph 46.

47. Defendants deny the allegations in paragraph 47.

Count II

(False Designation of Origin under Lanham Act 43(a) (15 U.S.C. § 1125(a))

48. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

49. Defendants are without sufficient knowledge of the allegations in paragraph 49 to admit or deny, and therefore denies.

50. Defendants deny the allegations in paragraph 50

51. Defendants deny the allegations in paragraph 51.

52. Defendants deny the allegations in paragraph 52.

53. Defendants deny the allegations in paragraph 53.

54. Defendants deny the allegations in paragraph 54.

Count III

(Cybersquatting- Damages)

55. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

56. Defendants without sufficient knowledge of the allegations in paragraph 60 to admit or deny, and therefore denies.

57. Defendants deny the allegations in paragraph 57.

58. Defendants deny the allegations in paragraph 58.

59. Defendants deny the allegations in paragraph 59.

Count IV

(Cybersquatting – Injunction)

60. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

61. Defendants without sufficient knowledge of the allegations in paragraph 61 to admit or deny, and therefore denies.

62. Defendants deny the allegations in paragraph 62.

63. Defendants deny the allegations in paragraph 63.

64. Defendants deny the allegations in paragraph 64.

Count V

(Unjust Enrichment)

65. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

66. Defendants without sufficient knowledge of the allegations in paragraph 66 to admit or deny, and therefore denies.

67. Defendants deny the allegations in paragraph 67.

68. Defendants without sufficient knowledge of the allegations in paragraph 68 to admit or deny, and therefore denies.

69. Defendants deny the allegations in paragraph 69.

70. Defendants deny the allegations in paragraph 70.

71. Defendants deny the allegations in paragraph 71.

72. Defendants deny the allegations in paragraph 72.

Count VI

(Breach of Contract - Damages)

73. Defendant, BARRY BIONDO, adopts and re-alleges responses to allegations in paragraphs 1-39 as if fully stated herein.

74. Defendant, BARRY BIONDO, admit the allegations in paragraph 74.

75. Defendant, BARRY BIONDO, denies the allegations in paragraph 75.

76. Defendant, BARRY BIONDO, denies the allegations in paragraph 76.

77. Defendant, BARRY BIONDO, denies the allegations in paragraph 77.

78. Defendant, BARRY BIONDO, denies the allegations in paragraph 78.

79. Defendant, BARRY BIONDO, denies the allegations in paragraph 79.

80. Defendant, BARRY BIONDO, denies the allegations in paragraph 80.

Count VII

(Breach of Contract- Injunction)

81. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

82. Defendants without sufficient knowledge of the allegations in paragraph 82 to admit or deny, and therefore denies.

83. Defendants deny the allegations in paragraph 83.

84. Defendants deny the allegations in paragraph 84.

85. Defendants deny the allegations in paragraph 85.

86. Defendants deny the allegations in paragraph 86.

87. Defendants deny the allegations in paragraph 87.

88. Defendants deny the allegations in paragraph 88.

Count VIII

(Common Law Trademark Infringement)

89. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

90. Defendants deny the allegations in paragraph 90.

91. Defendants deny the allegations in paragraph 91.

92. Defendants deny the allegations in paragraph 92.

93. Defendants deny the allegations in paragraph 93.

Count IX

(Trademark Dilution, Fla. Stat. § 495.151 *et seq.*)

94. Defendants adopt and re-allege responses to allegations in paragraphs 1-39 as if fully stated herein.

95. Defendants without sufficient knowledge of the allegations in paragraph 95 to admit or deny, and therefore denies.

96. Defendants deny the allegations in paragraph 96.

97. Defendants deny the allegations in paragraph 97.

98. Defendants deny the allegations in paragraph 98.

FIRST AFFIRMATIVE DEFENSE

Defendants or related third parties were authorized to use the trademarks and service marks alleged pursuant to the Lanham Act.

SECOND AFFIRMATIVE DEFENSE

The goodwill of the trademarks and service marks identified in the Complaint is not exclusively owned by Plaintiff and accordingly, some or all of Plaintiffs' claims are barred.

THIRD AFFIRMATIVE DEFENSE

Plaintiff does not have exclusive rights and privileges in some or all of the trademarks and service marks identified in the Complaint.

FOURTH AFFIRMATIVE DEFENSE

Some or all of Plaintiff's claims are barred by the doctrine of equitable estoppel.

FIFTH AFFIRMATIVE DEFENSE

Some or all of Plaintiff's claims is barred by the doctrine of laches.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff does not have clear title to all or some of the trademarks and service marks, and therefore lack standing to bring the claims asserted in the Complaint.

SEVENTH AFFIRMATIVE DEFENSE

Defendantss are entitled to a setoff as a result of Plaintiff's prior breach of the business sale agreement and other related agreements.

EIGHTH AFFIRMATIVE DEFENSE

Some or all of Plaintiffs' claims are barred by the doctrine of unclean hands.

NINTH AFFIRMATIVE DEFENSE

Some or all of Plaintiff's claims are barred by virtue of their prior breach of the business sale agreement with Defendants or related third parties.

TENTH AFFIRMATIVE DEFENSE

Some or all of Plaintiff's claims are barred by their wrongful and/or unlawful acts of duress where the Defendants were coerced into entering into a contract; where the Defendants were threatened and pressured with physical and economical harm, and damage to services.

DEFENDANTS' COUNTERCLAIM

Defendants, BARRY BIONDO, an individual, and TIPSYP SPA AND SALON INC., a Florida corporation, (hereinafter "Defendants"), through their undersigned counsel, countersue Plaintiff's, THANH NGUYEN, an individual, and LOUNG NGUYEN, an individual, (hereinafter collectively refer to as "Plaintiffs") for fraudulent procurement of Federal Registered Trademark, Breach of Contract and Breach of Implied Warranty of Fair Dealings, and in support thereof state as follows:

JURISDICTION

1. The Court has supplemental jurisdiction of this Counterclaim under 28 U.S.C. § 1367(a) because it arises out of the same transaction and occurrence alleged in the plaintiff's complaint so as to form a part of the same case or controversy within the meaning of Article III of the United States Constitution.
2. The Court has original subject matter jurisdiction over this Counterclaim pursuant to 15 U.S.C. § 1120 because it is federal question arising under the Section 38 of the Lanham Act.

COUNT I.

(Federal Trademark Registration with False or Fraudulent Representations)

3. On January 29, 2007, Plaintiff, THANH NGUYEN, applied for a federal trademark for the "Topsy" mark; and on the application for the said federal trademark the Plaintiff stated that the services provided in connection with his mark "Topsy" were "nail,

hair cutting and spa services; bar services". A true and correct copy of the Plaintiff's application for "Topsy" mark is attached hereto and incorporated herein as **Exhibit 1**.

4. At the same time the Plaintiff, THANH NGUYEN, filed the above mentioned federal trademark application for the "Topsy" Mark, he submitted specimens identifying his use of his mark in commerce. A true and correct copy of these specimens are attached hereto and incorporated herein as **Exhibit 2**.

5. On May 17, 2007, United States Patent and Trademark Office (USPTO) filed their first office action refusing the Plaintiff's application for the "Topsy" mark, for several reasons where one being the following :

Definite Recitation of Services Requirements

Amendment of Recitation

"The wording "nail" and "spa" in the identification of services is indefinite and must be clarified. Applicant must amend this wording to specify the common commercial or generic name for the services. If there is no common commercial or generic name for the services, then applicant must describe the nature of the services as well as their main purpose, channels of trade, and the intended consumer(s).

The applicant may adopt the following identification and classification, if accurate: "Nail care salons, hair cutting services and health spa services, namely cosmetic body care services; bar services in International Class 44."

(A true and correct copy of the First Office Action is attached as **Exhibit 3**.)

6. On November 20, 2007, the Plaintiff filed a response to the USPTO office action objecting to their other refusals mentioned in the office action but accepting the USPTO suggestion to the amendment of the services requirements for the "Topsy" mark. (A true and correct copy of this Plaintiff's Response to First Office Action is attached as **Exhibit 4**.)

7. Moreover on January 04, 2008, the Plaintiff amended his application for the "Topsy" mark to reflect that the services connected with the "Topsy" mark are "Nail care salons, hair cutting services and health spa services, namely cosmetic body care services; bar services in International Class 44." (A true and correct copy of this Plaintiff's First Amendment to his Federal Trademark Application is attached as **Exhibit 5.**)

8. On January 09, 2008, USPTO filed their second office action refusing the Plaintiff's application for the "Topsy" mark, for likelihood of confusion with other federally registered trademarks, more specifically the following was stated:

The applicant's (Plaintiff, THANG NGUYEN) services, "nail care salons, hair cutting services and health spa services, namely, cosmetic body care services", is related to registrant's goods, "hair styling preparations, hair care preparations", because the goods and services involve nail, hair and cosmetic body care. Consumers are likely to be confused by the use of similar marks on or in connection with goods and with services featuring or related to those goods. (A true and correct copy of the Second Office Action is attached as **Exhibit 6.**)

9. On July 11, 2008, the Plaintiff filed a response to the USPTO second office action objecting to their refusal, but amending the identification of services connected with the "Topsy" to delete "Nail care salons, hair cutting services and health spa services, namely cosmetic body care services" leaving only "bar services". (A true and correct copy of this Plaintiff's Response to Second Office Action is attached as **Exhibit 7.**)

10. Moreover on July 15, 2008, the Plaintiff amended his application for the "Topsy" mark to delete "Nail care salons, hair cutting services and health spa services, namely cosmetic body care services" leaving only "bar services". (A true and correct copy of this Plaintiff's Second Amendment to his Federal Trademark Application is attached as **Exhibit 6.**)

11. After which on November 11, 2008, USPTO granted the Plaintiff's federal trademark for the "Topsy" mark for services connected with bar services.

12. Plaintiff intentionally deceived the USPTO by deleting services (Nail care salons, hair cutting services and health spa services, namely cosmetic body care services) that they were and currently are providing in connection with their "Tipsy" mark from his federal trademark application for the "Tipsy" mark to avoid USPTO refusal of the application.

13. The USPTO would not have granted the Plaintiff's trademark application for the "Tipsy" mark if he had not misrepresented that his services in connection with the "Tipsy" was limited to bar services.

WHEREFORE, Defendants respectfully requests that this Court enter judgment in favor of Defendants against the Plaintiffs and grant the following relief:

- a. General and compensatory damages, and loss of profits from the Plaintiffs, jointly and severally, pursuant to 15 U.S.C. § 1117.
- b. Attorney fess and costs from Plaintiffs, jointly and severally, pursuant to 15 U.S.C. § 1117.
- c. Cancellation of the Plaintiff Federal Trademark Registration pursuant to 15 U.S.C. § 1064(3).
- d. Exemplary and punitive damages from the Plaintiffs, jointly and severally.
- e. That the Defendants be granted such other and further relief as this Court may deem just and proper.

WHEREFORE, having fully answered the FIRST AMENDED Complaint, the Defendants, TIPSY SPA AND SALON INC. and BARRY BIONDO, and pray for the relief as stated in their Counterclaim, and the Defendants has retained the services of the undersigned attorney and are obligated to pay their attorney reasonable attorneys' fees and costs, and Defendants hereby demand a trial by jury of all issues so triable by right.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Document has been filed with the Clerk of the Court using its CM/ECF system and CM/ECF system will send a notice of the electronic filing to the following:

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Attorney for Plaintiffs

Dated: March 8, 2012

/s/ Timothy L. Grice
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EXHIBIT

“C”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.: 9:11-CV-81156-MIDDLEBROOKS

THANH NGUYEN, an individual, and
LUONG NGUYEN, an individual,

Plaintiffs,

v.

BARRY BIONDO, an individual,
TIPSY SPA AND SALON INC., a Florida corporation,

Defendants.

**PLAINTIFFS, THANH AND LUONG NGUYENS', MOTION TO DISMISS
DEFENDANTS/COUNTER-PLAINTIFFS' COUNTERCLAIM FOR FEDERAL
TRADEMARK REGISTRATION WITH FALSE OR FRAUDULENT
REPRESENTATIONS**

Plaintiffs, THANH NGUYEN and LUONG NGUYEN, by and through their undersigned attorneys, and pursuant to Federal Rule of Civil Procedure 12(b)(6), move to Dismiss Defendants/Counter-Plaintiffs', BARRY BIONDO and TIPSY SPA AND SALON INC., Counterclaim for "Federal Trademark Registration with False or Fraudulent Representation." In support, Plaintiffs state as follows:

A. Factual Background.

This case involves a dispute over the ownership and use of the service mark "Topsy" (the "Mark" or "Topsy Mark"), which is a federally registered service mark owned by Plaintiff, THANH NGUYEN. THANH NGUYEN and Defendant, BARRY BIONDO, are using the Topsy Mark to operate competing hair and nail salons in South Florida. The parties were previously in business

together. Plaintiff LUONG NGUYEN and Defendant BARRY BIONDO owned the Topsy Spa and Salon of Wellington, and the Plaintiffs and Defendant BARRY BIONDO operated the salon together. *See* D.E. 30. A dispute occurred after BARRY BIONDO removed LUONG NGUYEN as an officer and froze her out from the bank account. This led to the execution of a Business Sale Agreement, pursuant to which BARRY BIONDO agreed to buy the business from Plaintiffs, and to cease and desist from using the Mark after March 11, 2011. Instead of complying with the Business Sale Agreement, BARRY BIONDO refused to pay the amounts due, continued to use the Mark after March 11, 2011, and attempted to register his own virtually identical Topsy service mark under Florida and federal law.

Plaintiffs sued for infringement of the Topsy service mark and for breach of contract. Defendants have now asserted a Counterclaim against Plaintiffs for "Federal Trademark Registration with False or Fraudulent Representations." The sole basis for the fraud claim is the following allegation in paragraph 13 of the Counterclaim: "The USPTO would not have granted the Plaintiffs' trademark application for the 'Topsy' mark if he had not misrepresented that his services in connection with the 'Topsy' [mark] was limited to bar services." There is no allegation that Counter-plaintiffs were injured by this conduct. The Counterclaim should be dismissed because Counter-plaintiffs lack standing to assert a fraud on the USPTO, and because they cannot assert sufficient facts to support a claim for fraud.

B. Legal Standard.

"A motion to dismiss a counterclaim pursuant to Federal Rule of Civil Procedure 12(b)(6) is evaluated in the same manner as a motion to dismiss a complaint." *Fabricant v. Roebuck*, 202 F.R.D. 306, 308 (S.D. Fla. 2001). (citation omitted). "[T]he analysis of a 12(b)(6) motion is limited

primarily to the face of the complaint and attachments thereto.” *Id.* at 1368. In order to survive a motion to dismiss, the complaint must state a plausible claim for relief. *See Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556 (2007). The “plausibility standard” is met when a plaintiff “plead[s] factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662, 129 S.Ct. 1937, 1949 (2009) (citing *Twombly*, 550 U.S. at 556). “Threadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice.” *Ashcroft*, 129 S Ct. at 1949.

In order to allege standing to assert a fraud in connection with a trademark application, ____.

“To establish a prima facie case of fraud in procuring a trademark registration, a party must show, by clear and convincing evidence, that: (1) the challenged statement was a false representation regarding a material fact; (2) the registrant knew the representation was false (scienter); (3) the registrant intended to deceive the PTO; (4) the PTO reasonably relied on the misrepresentation; and (5) the party suffered damages proximately resulting from such reliance.” *Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, No. 09-61490-Civ., *14 (S.D. Fla. June 2, 2011) (citations omitted). According to 15 U.S.C. § 1120, “[a]ny person who shall procure registration in the Patent and Trademark Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.”

“A party that seeks the cancellation of a trademark registration for fraudulent procurement ‘bears a heavy burden of proof.’” *Id.* (quoting *In re Bose Corp.*, 580 F. 3d 1240, 1243 (Fed. Cir. 2009)). “[A]bsent the requisite intent to mislead the PTO, even a material misrepresentation would

not qualify as fraud under the Lanham Act warranting cancellation.” *Pandora Jewelers*, at *14 (quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (T.T.A.B. 1981)). A challenge to a trademark registration puts the registrants subject belief at issue and failure to prove that element is dispositive of the claim. See *Pandora Jewelers*, at *14 (quoting *Stanfield v. Osborne Indus.*, 52 F. 3d 867, 874 (10th Cir. 1995)). For Defendants to prevail on a claim of fraud, “they must necessarily have proven a false material statement by the plaintiff of a fact that would have constituted grounds for denial of the registration had the truth been known.” *Citibank, N.A. v. Citibanc Group, Inc.*, 724 F. 2d 1540, 1544 (11th Cir. 1984). (citations omitted).

C. Argument.

i. Defendants’ Fail To State A Cause of Action Because They Lack Standing

In order to assert a claim for fraud on the USPTO, a plaintiff must allege that it was somehow damaged by the fraud. Here, Counter-plaintiffs simply allege at paragraph 13 of the Counterclaim that the USPTO would not have granted a trademark but for the fraud. There is no allegation that the Counter-plaintiffs were somehow damaged. Further, it would be impossible for Counter-plaintiffs to allege damages, because they contractually agreed to stop using the Mark well after the trademark was issued by the USPTO. The Business Sale Agreement specifically precluded Defendants from using the Mark. Prior to execution of the Business Sale Agreement, the parties operated the Topsy Spa and Salon of Wellington. Defendants *benefitted* from the use of Plaintiff’s “Topsy” Mark, and they continue to benefit from using Plaintiff’s Mark. Given that Counter-plaintiffs were benefitted and have been unable to allege any damages, they lack standing to assert a claim under 15 U.S.C. § 1120. Therefore, the Counterclaim should be dismissed.

ii. LUONG NGUYEN is not an owner of the Mark and therefore the claims against her should be dismissed.

Counter-Plaintiffs attempt to assert a claim for fraud against both THANH NGUYEN and his mother, LUONG NGUYEN, but the sole registrant and owner of the Mark is THANH NGUYEN. LUONG NGUYEN is not an owner of the Mark, and she did not file the application for the Mark. This is obvious from the USPTO filings attached to the Counterclaim. Therefore, there is no basis for a claim against LUONG NGUYEN, she is simply THANH NGUYEN's mother, and she should be dismissed from the Counterclaim.

iii. Defendants Have Not Asserted, and Cannot Assert, That There Was a Fraud on the USPTO

Counter-plaintiffs allege that THANH NGUYEN committed fraud when he disclaimed classification 44 (e.g., nail care salons, hair care services), but retained classification 43 (e.g. bar services) in his federal service mark application filed with the USPTO, then used the Mark to operate a hair and nail salon business that served beer and wine. The Counterclaim does not assert any specific fraudulent representation. Rather, the basis for the claim is that THANH NGUYEN would not have been granted a service mark had he informed the USPTO that he would use his Mark in connection with the disclaimed classification 44 (e.g., nail care salons, hair care services). This allegation is illogical and in contravention of the law on trademarks.

Unlike the registration of a patent, a trademark registration of itself does not create the underlying right to exclude. Nor is a trademark created by registration. While federal registration triggers certain substantive and procedural rights, the absence of federal registration does not unleash the mark to public use. The Lanham Act, (§1125(a)) protects unregistered marks as does the common law.

See San Juan Prods., Inc. v. San Juan Pools of Kansas, Inc., 849 F.2d 468, 474 (10th Cir. 1988).

Thus, even if the service mark registration were procured by fraud, which it was not, the underlying rights protect the rights in the mark.

Further, there is no prohibition on his use of the Mark within and beyond the classification of the service mark. It is not a fraud to use a registered service mark for services that are beyond those that are protected by federal law. *See Innovation Ventures, LLC v. Bhelliom Enterprises Corp.*, 2010 WL 3170080 *2 (E.D.Mich.2010). “[T]he rights of the owner of a registered trademark are not limited to protection with respect to the specific goods stated on the certificate ... but extend to any goods related in the minds of consumers in the sense that a single producer is likely to put out both goods.” *E. Remy Martin & Co., S.A. v. Shaw-Ross Intern. Imports, Inc.*, 756 F.2d 1525, 1530 (11th Cir. 1985) (citations omitted). “The sole purpose of a classification of goods, however, is for internal administration within the PTO. The class to which a product may be assigned does not limit or extend the registrant’s rights and has no bearing on likelihood of confusion.” *Malarkey-Taylor Assoc., Inc. v. Cellular Telecom. Ind. Assoc.*, 929 F. Supp. 473, 476 (D.C. Cir. 1996). (citations omitted). “[I]nfringement can be found and prohibited even if the use of the registered mark is upon goods having different descriptive properties than those set forth in the registration” *Charles Schwab & Co., Inc v. Hibernia Bank*, 665 F. Supp. 800, 804 (N.D Cal. 1987). Where parties use of their marks is identical, the Patent and Trademark Office’s classification system is not a hurdle to a claim for trademark infringement. *See Universal Nutrition Corp. v. Carbolite Foods*, 325 F. Supp. 2d 526, 532 (D. New Jersey 2004). Accordingly, the facts alleged by Counter-plaintiffs, even if true, do not state a cause of action for fraud.

Moreover, THANH NGUYEN owns common law rights in the Topsy name under Florida law, independent of his registration. He is seeking to vindicate those rights in this action. See Amended Complaint, ¶ 12 [D.E. 30]. As a result, THANH NGUYEN was not only permitted to use the Mark in connection with hair and nail services, he can do so to the exclusion of others. See *San Juan Prods., Inc. v. San Juan Pools of Kansas, Inc.*, 849 F.2d 468, 474 (10th Cir.1988) (“Trademark rights are created by use, not registration.”).

As noted by McCarthy on Trademarks, common law rights allow an owner to expand beyond the protections afforded by a federal mark:

It is difficult to understand why defendants in many trademark infringement suits expend so much time, effort and money in vigorously pursuing the claim that plaintiff's federal registration was obtained by fraud. It has been held several times that even if defendant succeeds in proving that the plaintiff's registration was fraudulently obtained, plaintiff's common law rights in the mark continue unabated and are sufficient to require an injunction against an infringing defendant. In addition, plaintiff's separate federal rights in unregistered marks under Lanham Act § 43(a) continue unabated even if a registration is disregarded or cancelled.

6 MCCARTHY ON TRADEMARKS § 31.60 (4th ed.2010). Accordingly, there is no basis for Counter-plaintiffs' allegation that THANH NGUYEN committed fraud on the USPTO when he disclaimed classification 44, because THANH NGUYEN made no misrepresentations to the USPTO, and THANH NGUYEN had common law rights to use the Mark in connection with a nail care salon and hair care services.

WHEREFORE, Plaintiffs, THANH NGUYEN and LUONG NGUYEN, respectfully request this Court enter an Order: (1) granting their Motion to Dismiss Defendants' Counterclaim with prejudice; (2) reserving jurisdiction to award Plaintiffs' attorneys fees and costs; and (3) awarding the Plaintiffs any further relief this Court deems equitable and just.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that on the 2nd day of April, 2012, we electronically filed the foregoing document with the Clerk of the Court via CM/ECF. We also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission or Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filings.

Respectfully submitted,

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SERVICE LIST

THANH NGUYEN AND LUONG NGUYEN

vs.

BARRY BIONDO AND TIPSYP SPA AND SALON, INC.

CASE NO: 9:11-CV-81156-MIDDLEBROOKS

United States District Court, Southern District of Florida

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Luong Nguyen*

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Counterclaim_FINAL.wpd

EXHIBIT

“D”

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: April 12, 2012

Cancellation No. 92055403

Barry Biondo dba Topsy Spa
and Salon

v.

Thanh Nguyen

George C. Pologeorgis,
Interlocutory Attorney:

On April 12, 2012, respondent filed a motion to suspend this proceeding pending final determination of a civil action between the parties in the United States District Court for the Southern District of Florida.¹ Respondent included a copy the civil action complaint with his motion.

Respondent's motion for suspension of this Board proceeding is granted as well taken. It is the policy of the Board to suspend proceedings when the parties are involved in a civil action which may be dispositive of or

¹Case No. 9:11:CV-81156, styled *Thanh Nguyen and Luong Nguyen v. Barry Biondo and Topsy Spa and Salon, Inc.*, filed on or about February 17, 2012.

Cancellation No. 92055403

have a bearing on the Board case.² See Trademark Rule 2.117(a).

A review of the complaint in the civil case indicates that a decision by the district court could be dispositive of, or have a bearing on, the issues in this cancellation proceeding.

Accordingly, proceedings herein are suspended pending final disposition of the civil action between the parties.

Within twenty days after the final determination of the civil action, the interested party should notify the Board so that this case may be called up for appropriate action. During the suspension period the Board should be notified of any address changes for the parties or their attorneys.

² Moreover, to the extent that a civil action in a Federal district court involves issues in common with those in a Board proceeding, the district court decision would be binding on the Board, whereas the Board decision is merely advisory to the district court. See *American Bakeries Co. v. Pan-O-Gold Baking Co.*, 2 USPQ2d 1208 (D.C. Minn. 1986). Further, Board decisions are appealable to the district court. See Section 21 of the Trademark Act, and *Goya Foods, Inc. v. Tropicana Products Inc.*, 846 F.2d 848, 6 USPQ2d 1950, at 1953 (2d Cir. 1988).

EXHIBIT

“E”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 11-81156-CIV-MIDDLEBROOKS/VITUNAC

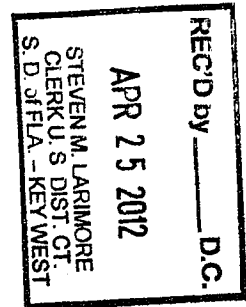
THANH NGUYEN, an individual, and
LUONG NGUYEN, an individual,

Plaintiffs,

v.

BARRY BIONDO, an individual, and
TIPSY SPA AND SALON INC., a Florida
corporation,

Defendants.



ORDER TO SHOW CAUSE

THIS CAUSE comes before the Court upon Plaintiffs' Motion to Dismiss (DE 44) ("Motion"), filed April 2, 2012. Defendants' Response to the instant Motion was due on April 19, 2012; however, as of today, Defendants have failed to file a Response to the instant Motion.

Southern District of Florida Local Rule 7.1(c) states:

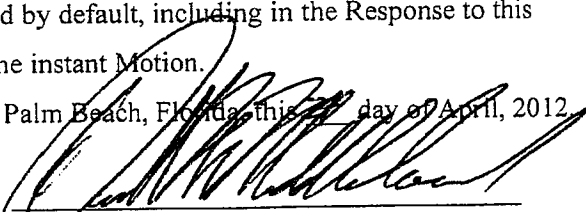
Each party opposing a motion shall serve an opposing memorandum of law no later than fourteen (14) days after service of the motion. Failure to do so may be deemed *sufficient cause for granting the motion by default*.

S.D. Fla. L.R. 7.1(c) (emphasis added).

Accordingly, it is hereby

ORDERED AND ADJUDGED that Defendants shall, by **5:00p.m. on Monday, April 30, 2012**, show cause why the instant Motion should not be granted by default, including in the Response to this Order a Memorandum of Law addressing the merits of the instant Motion.

DONE AND ORDERED at Chambers in West Palm Beach, Florida, this 25 day of April, 2012.


DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record

EXHIBIT

“F”

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

THANH NGUYEN, et al.,

CASE NO. 11-81156 - CIV-
MIDDLEBROOKS/JOHNSON

Plaintiffs,

v.

BARRY BIONDO, an individual, TIPSYP SPA
AND SALON INC., a Florida Corporation,

Defendants. /

**DEFENDANTS' RESPONSE TO
ORDER TO SHOW CAUSE**

COMES NOW, the Defendants, BARRY BIONDO, an individual, and TIPSYP SPA AND SALON INC, a Florida Corporation, by and through their undersigned counsel, hereby responds as follows:

1. The Defendants respectfully request that the Court delete the Defendants counterclaim based on Federal Trademark Registration with False or Fraudulent Representations.
2. Moreover the Defendants' undersigned counsel respectfully apologize to Court for the delay in this matter; however it has been almost unavoidable due to the complexity of the issue and the workload (multiple depositions and discovery investigation/production) in this suit and other matters. Further, until just recently have the Defendants came to unanimous decision in regards to the counterclaim based on Federal Trademark Registration with False or Fraudulent Representations due to complexity of this legal issue and amount of legal research involved in analysis such issue
3. However, the Defendants respectfully reserve the right to request the Honorable Court permission for leave to amend the Defendants' Answer, Affirmative Defenses, and Counterclaim, if it permits considering the parties have future depositions and discovery disputes to resolve.

WHEREFORE, the Defendants respectfully requests and prays this Honorable Court waive any sanctions sought for unintentional delay because of excusable neglect and any other relief deemed just and proper.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Document has been filed with the Clerk of the Court using its CM/ECF system and CM/ECF system will send a notice of the electronic filing to the following:

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Attorney for Plaintiffs

Dated: April 30, 2012

/s/ Timothy L. Grice
Timothy L. Grice, Esq.
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EXHIBIT

“G”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 11-81156-CIV-MIDDLEBROOKS/VITUNAC

THANH NGUYEN, *et al.*,

Plaintiffs,

v.

BARRY BIONDO, *et al.*,

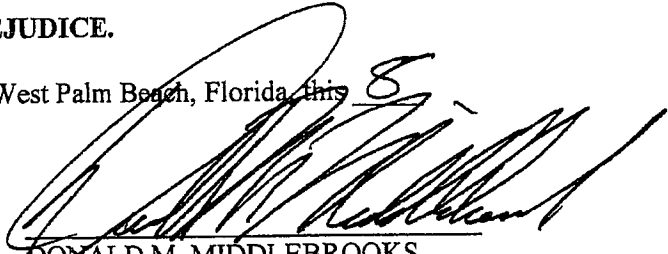
Defendants.

ORDER ON PLAINTIFFS' MOTION TO DISMISS DEFENDANTS' COUNTERCLAIM
FOR FEDERAL TRADEMARK REGISTRATION WITH FALSE OR FRAUDULENT
REPRESENTATIONS

THIS CAUSE comes before the Court upon Plaintiffs' Motion to Dismiss Defendants' Counterclaim for Federal Trademark Registration with False or Fraudulent Representations ("Motion") (DE 44), filed April 2, 2012. In their untimely Response, Defendants agree that Plaintiffs' Motion should be granted because they failed to plead a cause of action for fraudulent procurement of a federally-registered trademark. (DE 70 at ¶ 1). Accordingly, it is hereby

ORDERED AND ADJUDGED that Plaintiffs' Motion to Dismiss Defendants' Counterclaim for Federal Trademark Registration with False or Fraudulent Representations (DE 44) is **GRANTED**. Defendants' Counterclaim for Fraudulent Procurement of a Federal Registered Trademark is **DISMISSED WITH PREJUDICE**.

DONE AND ORDERED in Chambers in West Palm Beach, Florida, this 8
day of May, 2012.


DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

cc:
Counsel of Record

EXHIBIT

“H”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.: 9:11-CV-81156-MIDDLEBROOKS

THANH NGUYEN, an individual, and
LUONG NGUYEN, an individual
Plaintiffs,

v.

BARRY BIONDO, an individual, and
TIPSY SPA AND SALON INC., a Florida corporation

Defendants.

**PLAINTIFFS THANH NGUYEN AND LUONG NGUYEN'S MOTION FOR SUMMARY
JUDGEMENT AS TO ALL COUNTS OF THE FIRST AMENDED COMPLAINT
AND MEMORANDUM OF LAW WITH INCORPORATED
STATEMENT OF MATERIAL FACTS IN SUPPORT**

Plaintiffs, THANH NGUYEN and LUONG NGUYEN, by and through their undersigned attorneys, and pursuant to Federal Rule of Civil Procedure 56 and Local Rule 56.1, move for Summary Judgment on all Counts of Plaintiffs' First Amended Complaint, and as to Defendants, BARRY BIONDO's and TIPSY SPA AND SALON INC.'s, a Florida corporation (collectively, "BIONDO") Affirmative Defenses in Defendants' Amended Answer and Affirmative Defenses [D.E. 34] , and state in support:

I. SUMMARY AND BACKGROUND OF CASE.

This case arises out of BIONDO's breach of a Business Sale Agreement ("Agreement") and his infringement of Plaintiff THANH NGUYEN'S service mark, "Topsy"(the "Mark" or "Topsy Mark"). The Topsy Mark is used by both parties to operate competing hair and nail salons in South

Florida. The competing hair and nail salons are unique in that they are high end full service salons that offer beer and wine to customers.

On March 11, 2010, BIONDO signed the Agreement, pursuant to which he purchased a spa and salon business from Plaintiffs in Wellington, Florida. Pursuant to the Agreement, BIONDO was authorized to use the Topsy Mark until March 11, 2011. After accepting the benefits of the Agreement by acquiring the salon, and using Plaintiff's Mark after signing the Agreement, BIONDO refused to pay the majority of the purchase price, failed to provide the required security, continued to use the Mark after the March 11 deadline, then attempted to obtain his own federal and state trademark on the Topsy Mark less than two weeks after the contract required him to cease using the Topsy Mark. To date, BIONDO continues to use a counterfeit Topsy Mark and the www.tipsyspa.com domain name in blatant violation of the Agreement and the Lanham Act, leading to actual customer confusion.

Defendants' affirmative defenses to the contract claims are located at affirmative defense Nos. 4 (equitable estoppel), 5 (laches), 7 (setoff), 8 (unclean hands), 9 (prior breach) and 10 (duress). [DE 34]. Defendants also assert the following affirmative defenses that relate to use and ownership of the Mark: affirmative defense Nos. 1 ("authorized use" of the Mark), 2 ("no exclusive ownership" of the Mark) 3 ("no exclusive rights and privileges" of the Mark), and 6 (lack of standing).

These defenses are entirely devoid of merit. BIONDO has admitted that he has no factual support for the defenses, and all of these defenses were raised well after he accepted the full benefits of the Agreement, which clearly stated that BIONDO did not own and was not purchasing the "Topsy" Mark. As to the duress claim, BIONDO voluntarily signed the Agreement to settle the parties' existing disputes. There is no basis to claim that Plaintiffs put him under duress. To this

day, BIONDO continues to accept the full benefits of the Agreement by using the Topsy Mark and running the business he bought from Plaintiffs. His defenses should be disposed of by summary judgment and monetary and injunctive relief should be awarded to Plaintiffs pursuant to the Agreement and the Lanham Act.

II. STATEMENT OF MATERIAL FACTS.

1. THANH NGUYEN envisioned the concept for "Topsy" in connection with spa, salon, nail and hair services featuring bar services in 2005 when living in Arkansas. His brother, Tuan Nguyen suggested the name "Topsy" in conjunction with this idea, however the Mark belongs solely to THANH NGUYEN. Affidavit of THANH NGUYEN ("Aff. of T. Nguyen") at ¶ 4. A copy of THANH NGUYEN's Affidavit is Attached as **Exhibit "A."** Affidavit of Beth Nguyen ("Aff. of B. Nguyen") at ¶ 4. A copy of Beth Nguyen's Affidavit is Attached as **Exhibit "B."**

2. THANH NGUYEN is the sole owner of the Florida and federally registered "Topsy" trademark, which is used in connection with his family's full service hair and nail salons that feature bar services for the patrons. Aff. of T. Nguyen at ¶ 2; Aff. of B. Nguyen at ¶ 5. A copy of the federal registration is attached as **Exhibit "1."** A copy of the Florida registration is attached as **Exhibit "2."**

3. In January of 2007, THANH NGUYEN and his mother LUONG NGUYEN, formally opened their first "Topsy" salon located at 1037 State Road #7, Suite 112, Wellington, Florida 33414. Aff. of T. Nguyen at ¶ 6. Aff. Of Luong Nguyen ("Aff. Of L. Nguyen") at ¶ 3. A copy of Luong Nguyen's Affidavit is attached as **Exhibit "C."**

4. On January 29, 2007, THANH NGUYEN filed an application for federal trademark protection in the "Topsy" name and mark. Aff of T. Nguyen at ¶ 7; **Ex. "1."**

5. On or about February 2008, BARRY BIONDO agreed to purchase THANH NGUYEN's 50% interest in the Wellington salon location, in return for \$400,000.00. Aff. of T. Nguyen at ¶ 14; Aff of L. Nguyen at ¶ 4.

6. The only terms of the purchase were that BIONDO would obtain a 50% interest in the Wellington Salon, and no rights to the Tippy name. Aff. of T. Nguyen at ¶¶ 2, 3, 13, 14.

7. On November 11, 2008, the United States Patent and Trademark Office granted THANH NGUYEN's federal trademark application. Aff. of T. Nguyen at ¶ 8; Ex "1."

8. On November 19, 2009, THANH NGUYEN was also granted a Florida trademark for the "Tippy" Mark. Aff of T. Nguyen at ¶ at 9; Ex "2."

9. THANH NGUYEN granted his mother, LUONG NGUYEN, an oral license to use the "Tippy" Mark at the Wellington salon as long as she was involved in the business, without charge to her. Aff. of T. Nguyen at ¶ 15; Aff. of L. Nguyen at ¶ 5.

10. However, not long after BIONDO became involved in the Wellington salon, BIONDO removed LUONG NGUYEN from the business, removed her name from the Suntrust Bank business account, and began to exclude Plaintiffs from the business affairs. He told Plaintiffs that an "American" was running the business now. Aff. of T. Nguyen at ¶ 16; Aff. Of L. Nguyen at ¶ 7.

11. BARRY BIONDO would not permit THANH NGUYEN to enter the Wellington salon and when THANH NGUYEN did enter, BIONDO would not provide THANH NGUYEN with information regarding the business of which he and his mother were part owners. BIONDO would not permit access to information regarding the payment of invoices, rent or distributors after the dispute began. Aff. of T. Nguyen at ¶¶ 18 - 19; Aff. of L. Nguyen at ¶ 9.

12. During 2008 and 2009, the parties had repeated arguments over the business. BARRY BIONDO retained counsel, John Howe, Esquire, and Shannon Mahoney, Esquire, and the Nguyens retained counsel, Mark Grieco, Esquire, and Cathleen Scott, Esquire. THANH NGUYEN filed a lawsuit against Barry Biondo for a Repeat Violence Injunction. The suit was settled in 2009. Aff. of T. Nguyen at ¶ 20.

13. Specifically, on or about March 11, 2010, THANH NGUYEN, LUONG NGUYEN and BARRY BIONDO signed the Business Sale Agreement, selling BARRY BIONDO the remaining 50% interest in the business for \$164,000.00. A true and correct copy of the Agreement is attached as **Exhibit "3."** Aff. of T. Nguyen at ¶ 21; Aff. of L. Nguyen at ¶ 10.

14. BARRY BIONDO agreed to pay a \$20,000 down payment followed by weekly installment payments until the balance of the \$144,000.00 was paid in full. Aff. of T. Nguyen at ¶ 22; Aff. of L. Nguyen at ¶ 11; Agreement at ¶ 1. (Ex. 3).

15. BARRY BIONDO was obligated to "release the SELLERS from any liability for the payment of any and all debts and liabilities associated with Tipsy Nail Spa & Salon at Wellington Reserve, including but not limited to accounts payable, lease, payroll, unpaid wages, taxes, loan obligations, and the like, and shall execute all documents necessary to remove liability from the SELLERS for same." Aff. of T. Nguyen at ¶ 23; Aff. of L. Nguyen at ¶ 12; Agreement at ¶ 10 (Ex. 3).

16. Pursuant to the Agreement, Barry Biondo was permitted to use the "Tipsy" Mark in connection with the Wellington Nail Spa and Salon for only one (1) year from the date of the Agreement. Aff. of T. Nguyen at ¶ 24; Agreement at ¶ 8 (Ex. 3).

17. The Business Sale Agreement specifically excludes the sale of THANH NGUYEN's

“Tippy” Mark. Aff. of T. Nguyen at ¶ 25. Agreement at ¶ 8 (Ex. 3).

18. After making the initial \$20,000.00 payment at the time the Business Sale Agreement was signed, BARRY BIONDO sporadically paid his \$800 weekly installment payments. Aff. of T. Nguyen at ¶ 26; Aff. Of L. Nguyen at ¶ 13.

19. Not long after signing the Agreement, on July 16, 2010, BARRY BIONDO incorporated TIPPY SPA AND SALON INC., and is using that entity to operate his spa and salon under the counterfeit “Tippy” name. (Biondo Depo. pg. 113, lns. 8-18).

20. On March 21, 2011, a mere ten day after BIONDO was required to stop using THANHNGUYEN’s “Tippy” Mark, BARRY BIONDO d/b/a TIPPY SPA AND SALON INC., filed a federal trademark application for his own “Tippy Spa Salon” mark. (Biondo Depo. pg. 171, lns. 5-24).

21. On June 3, 2011, Barry Biondo’s attorney Alan Zangen, sent Plaintiffs a letter accusing them of hindering his efforts to get forgiveness of back rent owed to the landlord at the business location. A copy of the letter is attached as **Exhibit “4.”** Aff. of T. Nguyen at ¶ 27.

22. Contrary to Mr. Zangen’s claim, the Agreement did not require Plaintiffs to assist BIONDO in resolving his dispute with the landlord, but regardless, LUONG NGUYEN signed a Stipulation of Settlement of the eviction case one day after BARRY BIONDO signed it, and BIONDO was released from his obligation to pay back rent exceeding \$100,000 pursuant to the Stipulation. BIONDO failed to remove LUONG NGUYEN from liability for the lease obligations until that Stipulation was signed. See attached **Exhibit “5,”** Stipulation for Settlement and Agreement to Entry of Judgment and Writ of Possession Upon Default; Aff. of T. Nguyen at ¶ 28; Aff. of L. Nguyen at ¶ 14.

23. BARRY BIONDO never provided the security required by the Business Sale Agreement on property he owns in Okeechobee County, Florida. Agreement at ¶ 1 (Ex. 3). Aff. of T. Nguyen at ¶ 29; Aff. of L. Nguyen at ¶ 15.

24. Defendants' "Topsy" salon is located at 10120 Forest Hill Boulevard, Wellington, Florida. (Biondo Depo., p. 82; lns. 5-8).

25. BIONDO does not dispute that his salon in Wellington is "very similar" to the salons that Nguyen's operate using the Topsy Mark, including the Nguyen's Topsy salon in Jupiter, Florida. BIONDO acknowledges that his salon's "primary business," like the Nguyen's Topsy of Jupiter salon, is cosmetology, nails, hair and spa services, and the service of beer and wine. The salons are approximately 25 miles apart. (Biondo Depo., pp. 175; lines 3-16).

26. Plaintiffs' Salon and Defendants' Salon are direct competitors as they provide the same or similar services, the salons are setup in a similar fashion both featuring a bar, televisions and the salons are open late in order to accommodate customers' schedules. Additionally, both the Topsy of Jupiter Salon and the Defendants' Wellington Topsy Salon advertise specials on their web sites, post youtube videos portraying services and specials, post on facebook and host special events in order to further advertise the salons. Aff. of B. Nguyen at ¶¶ 14, 15.

27. The similarity of the layout of BIONDO's website, content, services, menus, specials and logos makes it appear to customers as though Plaintiff's "Topsy" salons are associated with Defendants' Wellington Topsy salon, thereby diverting business from Plaintiff to Defendants. Aff. of C. Hasson at ¶¶ 4, 5, 6, 7.

28. BIONDO did not stop using the "Topsy" Mark in connection with his salon after March 11, 2011. Aff. of T. Nguyen at ¶ 30; Aff. of B. Nguyen at ¶ 17.

29. Plaintiffs' lawyer issued a cease and desist letter to BARRY BIONDO on December 23, 2010. BARRY BIONDO ignored the letter and continued using the Mark. A copy of the letter is attached as **Exhibit "6."** Aff. of T. Nguyen at ¶ 31.

30. BIONDO continues to use the "Topsy" Mark today on his business facade, print, internet and television advertising, on the Internet under www.Tipsyspa.com, on Internet search engines, in his website's metatags, and in other mediums. Samples of the infringing items are attached as **Composite Exhibit "7."** THANH NGUYEN obtained these internet printouts on September 25, 2011, from BIONDO's homepage and from Google, the Sun Sentinel and GoDaddy.com. Aff. of T. Nguyen at ¶ 32.

31. BIONDO is currently using a "Topsy" Mark which is identical to that used by the Topsy of Jupiter Salon as the "profile picture" for the Topsy of Wellington facebook fan page. The only difference is a change in the colors of the text from green to white and a change in the background color from white to black as well as the addition of the word "lounge." A copy of Plaintiff's "Topsy" Mark and Defendants' counterfeit Topsy mark are attached as **Exhibit "8"** and **Exhibit "9"** respectively.

32. The Topsy Mark Defendants are currently displaying on the Topsy of Wellington facebook fanpage is different from the sample of the mark submitted with Defendants application for registration of the mark "Topsy Spa Salon" to the Patent and Trademark Office. A copy of the version of the "Topsy" Mark BIONDO submitted to the USPTO is attached as **Exhibit "10."**

33. BIONDO admitted that "quite a few times," his customers have attempted to redeem gift cards at his Topsy of Wellington salon, even though the gift cards were purchased by the customers from the Topsy of Jupiter salon. BIONDO admits that these customers came to

BIONDO's store "in error." (Biondo Depo., pp. 177-178; Ins. 11-25; 1-9).

34. Catherine Hasson, the Manager of the Tipsy of Jupiter Salon from March 2011 to the present, is asked on a regular basis, no less than five (5) times per week, whether the Tipsy of Jupiter Salon and the Wellington Topsy Salon are affiliated. Affidavit of Catherine Hasson ("Aff. of C. Hasson) at ¶ 4. A copy of Catherine Hasson's Affidavit is attached as **Exhibit "D."**

35. Clients of the Tipsy of Jupiter Salon regularly call the salon or enter the salon and state to Catherine Hasson that they wish to book at appointment for a special that they saw online at www.tipsyspa.com. Catherine Hasson then informs them that tipsyspa.com is not their website, but is instead used by BIONDO for his Wellington salon. Ms. Hasson also informs customers that Tipsy of Jupiter and the Wellington Topsy Salon, operated at BIONDO are not affiliated, and that the Jupiter salon is not running the same specials. Aff. of C. Hasson. at ¶ 5.

36. Both the Tipsy of Jupiter Salon and the Wellington Topsy Salon display specials on their web sites, however those specials are not the same. Aff. of C. Hasson at ¶ 6.

37. Tipsy of Jupiter uses the domain name www.tipsyjupiter.com and the Wellington Salon uses www.tipsyspa.com. Aff. of C. Hasson at ¶ 7.

38. The Tipsy of Jupiter Salon uses the phone number (561)-626-6074 and the Wellington Topsy Salon uses the phone number (561)-333-0413. Aff. of C. Hasson at ¶ 8.

39. On May 8, 2012, a client entered the Tipsy of Jupiter Salon and informed Catherine Hasson that she was at the salon for her appointment. When Ms. Hasson informed her that she did not have an appointment and that she had not called the Tipsy of Jupiter to make that appointment, but instead had made the appointment at the Tipsy of Wellington Salon, she appeared confused and angry. Ms. Hasson encountered this type of confusion routinely, at least five (5) times per week

since she began working at the Topsy of Jupiter Salon in March of 2011. Aff. of C. Hasson at ¶ 9.

40. Also on May 8, 2012, a long time client of the Topsy of Jupiter Salon approached Ms. Hasson about a 20% off hair services email she had received that she would like to redeem. Ms. Hasson informed the customer that Topsy of Jupiter was not running such a special. Ms. Hasson is responsible for sending out all of the web site and email specials for Topsy of Jupiter and she did not send such an email and the only other Topsy salon which sends such emails is the Wellington Topsy Salon.¹ Aff. of C. Hasson at ¶ 11.

41. THANH NGUYEN has received inquiries both in person and via telephone from customers and suppliers as to whether his other hair and nail salons which use his "Topsy" Mark, and BIONDO's Wellington salon that improperly uses the "Topsy" Mark are associated with one another. Aff. of T. Nguyen at ¶ 33.

42. Beth Nguyen has received inquiries from local business owners, operators and employees, if the Topsy of Jupiter and the Wellington Topsy are affiliated, at no less than five Chamber of Commerce events in Palm Beach County. Aff. of B. Nguyen at ¶ 15.

43. When making deposits on behalf of the Topsy of Jupiter, Beth Nguyen is regularly asked by the bank tellers if the Topsy of Jupiter is affiliated with the Wellington Topsy. Aff. of B. Nguyen at ¶ 14.

44. Beth Nguyen receives three to four questions per month from members of the community, including customers and potential customers, regarding the affiliation of the Topsy of

¹ Defendant represented that in his Supplemental Responses to Plaintiffs' Request to Produce [D.E. 71] that a customer list was "non-existent." However, the www.tipsyspa.com website has an email sign-up for anyone interested in receiving weekly specials. A list of these names and/or email addresses would constitute at least a partial customer list and was responsive to Plaintiffs' Request, but not produced.

Jupiter Salon and Barry Biondo's Wellington salon using the "Tippy" name. Aff. of B. Nguyen at ¶ 18.

45. THANH NGUYEN is unable to exercise control over the quality and use of his "Tippy" Mark at BIONDO's Wellington salon because BIONDO is using the Mark without permission. Aff. of T. Nguyen at ¶ 34.

46. THANH NGUYEN has continued to use the "Tippy" Mark in commerce and in connection with high end nail and hair salons offering bar services since first using it in 2006. Aff. of T. Nguyen at ¶ 10.

47. After paying the initial \$20,000.00 at the time the Agreement was executed, BIONDO made installment payments totaling \$35,800, many of which were incomplete or late, as BIONDO stopped paying his weekly installment payments in August 2010 then started making payments again on January 12, 2011. BIONDO's final payment was made on May 19, 2011 (after BIONDO filed applications for his own Tippy service mark). The total due from BIONDO for the principal due under the Agreement is \$108,200.00. Aff. of T. Nguyen at ¶ 26.

48. The Agreement authorizes an award of attorneys' fees and costs to the prevailing party. Agreement at ¶ 15 (Ex. 3). The Agreement restricted BIONDO from starting a competing business within 10 miles of the Tippy Nail Spa & Salon of Wellington Reserve for a period of one year. Agreement at ¶ 11 (Ex. 3).

49. As to Affirmative Defense Nos. 4 (equitable estoppel), 5 (laches), 7 (setoff), 8 (unclean hands), 9 (prior breach) and 10 (duress), Defendants have failed to allege *any* facts to support any of these defenses, failed to produce a single document in discovery which supports any of these defenses, and BIONDO testified in deposition that he knows of no factual basis for any of

these affirmative defenses other than the duress claim. A copy of the relevant portions of BIONDO's two volume deposition transcript has been filed in this case at [D.E. 52].

50. Further, to the extent that BARRY BIONDO asserts that he was under duress from an eviction lawsuit that was filed against him by a third party *after* he signed the Agreement, Plaintiffs had no obligation to pay his rent or defend him in the eviction case. The eviction suit was filed after the Agreement was signed. The Agreement required BIONDO to remove LUONG NGUYEN from the lease, it did not require LUONG NGUYEN to pay BIONDO's rent or help him in an eviction lawsuit. See Agreement, ¶ 10 (Ex. 3). Prior to the Agreement, BIONDO claims that he had total control over the business operations. (Biondo Depo., pp. 12-13, lns. 18-25; 4-9), and BIONDO knew that his rent was past due, and that his landlord had been making demands for money throughout 2009 and 2010. The Stipulation signed as part of the eviction resulted in BIONDO avoiding liability for any back rent, in the amount of \$115,000. (See Ex. "5"; email correspondence between BIONDO and landlord's counsel are attached as **Composite Exhibit "11."** BIONDO testified that he was not aware of any action that LUONG NGUYEN took to try to get him evicted or to try to ruin his business. He was unaware of anything that THANH NGUYEN or Tuan Nguyen did to try to ruin his business after the Business Settlement Agreement was signed. (Biondo Depo., pp. 101-102; lines 22-25; 1-4).

51. As to affirmative defenses Nos. 1 ("authorized use" of the Mark), 2 ("no exclusive ownership" of the Mark) 3 ("no exclusive rights and privileges" of the Mark), and 6 (lack of standing), THANH NGUYEN had the right of exclusive ownership and control of the Mark. These affirmative defenses are not supported by any facts as testified by Barry Biondo. (Biondo Depo.pgs. 241-252); Aff. of T. Nguyen at ¶ 2.

52. BIONDO received substantial benefits from the Agreement, including an operating business, and use of the Tipsy Mark for one year. He accepted these benefits and continues to enjoy the benefits to this day, albeit without payment and without legal rights to the Mark. BIONDO acted as though he was bound by making some installment payments, using the Mark, operating the business, and failing to assert any contract defenses until after he was sued. BIONDO voluntarily signed the Agreement to settle the parties' dispute. See Agreement (Ex. 3).

III. ARGUMENT.

1. PLAINTIFFS ARE ENTITLED TO SUMMARY JUDGMENT ON ALL COUNTS OF PLAINTIFFS' FIRST AMENDED COMPLAINT

a. Count I- Trademark Infringement Under Section 32(1) of the Lanham Act (15 U.S.C. §1114)

"To prevail on a trademark infringement claim under 15 U.S.C. § 1114, the plaintiff must show that it owns a valid trademark, that its mark has priority, that the defendant used such mark in commerce without the plaintiff's consent, and that the defendant's use is likely to cause customer confusion as to the source, affiliation or sponsorship of its goods or services." *Carnival Corp. v. SeaEscape Casino Cruises, Inc.*, 74 F. Supp. 2d 1261, 1264-65 (S.D. Fla. 1999) (citations omitted). The Eleventh Circuit has "identified various factors to be considered in determining whether a likelihood of confusion exists between two marks including: 'the type of trademark, the similarity of design, the similarity of the product, the identity of retail outlet and purchasers, the similarity of advertising media used, the defendant's intent, and actual confusion.'" *Monsanto Co. v. Campuzano*, 206 F. Supp. 2d 1252, 1262 (S.D. Fla. 2002) (citations omitted). "There is no need of [sic] analyze each of these factors in every case however, because consideration of fewer than all seven can support a likelihood of confusion." *Id.* (citation omitted). "[A] likelihood of confusion can be

found as a matter of law if the defendant intended to derive benefit from the plaintiff's trademark." *Babbitt Electronics, Inc. v. Dynascan Corp.*, 38 F.3d 1161, 1179 (11th Cir. 1994) (citations omitted). "[A]ctual confusion in the consuming public is the most persuasive evidence in assessing likelihood of confusion." *Pandora Jewelers 1995 v. Pandora Jewelry, LLC*, 2011 WL 2174012, No. 09-61490 *10 (S.D. Fla. 2011) (citation omitted).

Plaintiff's "Tippy" Mark is a suggestive, federally registered trademark listed on the Principal Register, Serial No. 77093533, entitled to a higher level of protection. *See Carnival Corp.*, 74 F. Supp. at 1265. Plaintiff's first use of the Mark in commerce according to THANH NGUYEN's federal trademark application occurred on December 15, 2006, and by his own admission BIONDO's first use did not occur until February of 2008, when he became associated with the Nguyen family and the Tippy of Wellington Nail Spa and Salon. (Biondo Depo. pgs. 195-96).

The court must next determine the similarity between THANH NGUYEN's "Tippy" Mark and that of Defendants. "The similarity of the marks is determined considering the overall impression created by the marks as a whole rather than comparing individual features of the marks." *Carnival Corp.*, 74 F. Supp. at 1266 (citations omitted). "Some factors to consider are the appearance, sound, and meaning of the marks, as well as the way in which the marks are used." *Id.* While both THANH NGUYEN and BIONDO have changed the style in which they display the Tippy Mark, both use Plaintiff's "Tippy" mark with the generic words "salon" and "spa," both display alcohol either within the word "Tippy" or around it, both marks display a banner photo of the salon at the top of the web pages, and both marks are displayed on the salon building facades, web sites, trademark applications, facebook pages and other media. Additionally, BIONDO uploaded an image to the Tippy of Wellington facebook fanpage as the page's "profile picture" on April 19, 2011, which

portrays an *identical* mark to that which Plaintiff currently uses at his Topsy of Jupiter Salon with the addition of the word "lounge" and a change in the color from green and white to black and white.² A true and correct copy of that image as well as Plaintiff's "Topsy" Mark as used at the Topsy of Jupiter salon are attached hereto as **Ex.'s "8" and "9."** This posting occurred after the termination of the Business Sale Agreement's one year period of use for Plaintiff's "Topsy" Mark, after the December 23, 2010, cease and desist letter and after BIONDO filed his own Federal and Florida trademark applications for his own "Topsy" mark. These marks are nearly identical and "the greater the similarity between the products and services, the greater the likelihood of confusion." *Monsanto*, 206 F. Supp. at 1262 (citation omitted).

Plaintiffs and BIONDO are direct competitors and provide many, if not all, of the same services to similarly situated segments of the population throughout the South Florida area. The parties both provide these services based out of high end salons offering hair, nail, spa, waxing, threading and other services, which feature a bar menu for the clients to enjoy while receiving these services. Aff of B. Nguyen at ¶ at 14. The set up of BIONDO's salon is similar to that of Plaintiff's salons as the salons are set up with a bar where clients can enjoy a manicure and sit alcohol, enjoy television and both are open late in order to better accommodate their customers. Aff. of B. Nguyen at ¶ 14. Additionally, THANH NGUYEN and BIONDO both advertise specials at the salon on their websites, have youtube videos portraying services and specials, host special events in order to further advertise the salon, as well as via facebook. Aff. of B. Nguyen at ¶ 15.

² It appears that after this lawsuit was filed and discovery completed BIONDO changed his website to remove the Topsy mark as the logo was represented in his federal trademark application. This was the same mark used by the Plaintiffs and BIONDO while co-owning the Topsy of Wellington Nail Spa and Salon. A copy of the "Topsy" logo BIONDO submitted to the Patent and Trademark Office is attached as **Ex. "10."**

“‘Intent to copy in itself creates a rebuttable presumption of likelihood of confusion.’” *Babbitt Electronics*, 38 F. 3d at 1179 (citations omitted). “[I]f a plaintiff can show that a defendant adopted a mark with the intent of deriving benefit from the reputation of the plaintiff, that fact alone ‘may be sufficient to justify the inference that there is confusing similarity.’” *Monsanto*, 206 F. Supp. 2d at 1262 (citation omitted).

As demonstrated by BIONDO’s use of THANH NGUYEN’s new “Tippy” logo to advertise his own salon, the continued use of the “Tippy” name after the Business Sale Agreement allowed him to do so and BIONDO’s attempted registration of his own Federal and Florida “Tippy” trademarks, BIONDO has demonstrated an intent to benefit from the Plaintiff’s Mark and to confuse customers into thinking that his Wellington salon was associated with Plaintiff’s other “Tippy” salons. By BIONDO’s own admission, he was denied a Florida trademark for “Tippy Spa and Salon” based on a likelihood of customer confusion with THANH NGUYEN’s “Tippy” Mark. (Biondo Depo. pgs. 170-71; 197). BIONDO also admitted that customers could be confused because the name “Tippy” and “Tippy Spa and Salon” were so similar. (Biondo Depo., pgs. 197-200).

Further, Plaintiffs’ customers are experiencing actual customer confusion as a result of the similarities between the marks, salon layouts, locations, advertising and services provided. *See* Aff of C. Hasson. “Actual confusion is the best evidence of likelihood of customer confusion.” *Carnival Corp.*, 74 F. Supp. at 1268. Customers of the Tippy of Jupiter Salon are regularly asking questions regarding Tippy of Jupiter’s affiliation with the Wellington Tippy, booking appointments at the wrong salon and trying to use specials offered at one salon at the other Tippy Salon. Aff. of C. Hasson at ¶¶ 4, 9, 10, 11, 12. As a result of the actual confusion experienced by customers, as well as the totality of the other six factors, Plaintiffs have shown a likelihood of customer confusion

and are entitled to summary judgment.

b. Count II- False Designation of Origin Under Section 43(a) of the Lanham Act (15 U.S.C. §1125(a))

BIONDO's continued use of a counterfeit "Topsy" mark in connection with spa and salon services violates not only Section 1114(a) but also Section 1125(a). "Section 1125(a) is broader than Section 1114 in that it covers false advertising or description whether or not it involves trademark infringement," allowing the same set of facts which permitted recovery under Section 1114 to result in a recovery under Section 1125. *See Babbit Electronics*, 38 F. 3d at 1181. "'To establish a prima facie case of trademark infringement under 43(a), a plaintiff must show that (1) it had trademark rights in the mark or name at issue and (2) that the other party had adopted a mark or name that was the same, or confusingly similar to its mark, such that customers were likely to confuse the two.'" *Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, 2011 WL 2174012 *10 (S.D. Fla. 2011) (quoting *Tana v. Dantanna's*, 611 F. 3d 767, 773 (11th Cir. 2010)). "The central inquiry in the claims under § 1125 is 'whether the defendant is passing off his goods or services as those of the plaintiff by virtue of substantial similarity between the two, leading to confusion on the part of potential customers.'" *Monsanto*, 206 F. Supp. 2d at 1265 (citations omitted).

Plaintiffs have shown that customers are experiencing actual customer confusion and the differences in the marks and services provided by Plaintiffs and BIONDO are nominal. BIONDO admits that the business that he runs is "very similar" to Plaintiff's business as they are both hair and nail salons that serve beer and wine. (Biondo Depo. pg. 175, lns. 8-11). BIONDO also stated that the difference between his "Topsy" mark and THANH NGUYEN's "Topsy" Mark is his addition of the words "spa" and "salon" after the word "Topsy." (Biondo. Depo. p. 193). These words are

generic and only serve to enhance any potential customer confusion as Plaintiff has used those words in association with his "Tippy" salons beginning in 2006 and continues to use them to this day. Finally, the use of similar marks, both contain the word "Tippy" in conjunction with a cocktail glass and the words "spa" and "salon," further the likelihood of customer confusion. See Exs. 8, 9. Because Plaintiffs have shown actual customer confusion and similarity of the marks and services provided as required under both Section 1114 and Section 1125, Plaintiffs are entitled to relief pursuant to 15 U.S.C. § 1125(a).

c. Count VIII- Common Law Trademark Infringement

Plaintiffs have proven their Section 32(a) and 43(a) Lanham Act claims, therefore Plaintiffs have also proven common law trademark infringement. "The analysis of liability for Florida common law trademark infringement is the same as under the Lanham Act." *PetMed Express, Inc. v. Medpets.com, Inc.*, 336 F. Supp. 2d 1213, 1218 (S.D. Fla. 2004). (citations omitted). "The elements required to prevail on a claim of common law trade name and service mark infringement are the same as those required to prevail under 43(a) of the Lanham Act, 15 U.S.C. 1125(a) or under a claim from common law unfair competition." *Pandora*, 2011 WL 2174012 at *11 (quoting *Am. United Life Ins. Co. v. Am. United Ins. Co.*, 731 F. Supp. 480, 486 (S.D. Fla. 1990)).

THANH NGUYEN has continually used the "Tippy" name in commerce beginning in 2006 in connection with full service nail and hair salons featuring bar services and BIONDO admittedly had no involvement in the creation or use of the "Tippy" Mark and did not begin to "use" the "Tippy" name until February of 2008. (Biondo Depo. pgs. 195-196). Because Plaintiffs have presented sufficient evidence to support violations of both Sections 1114(a) and 1125(a), Plaintiffs are also entitled to summary judgment as to their claim of common law trademark infringement.

d. Count III and IV- Cybersquatting- Damages and Injunctive Relief

- i. BIONDO's website www.tipsyspa.com is confusingly similar to Plaintiff's "Tipsy" Mark and BIONDO's continued use of the domain name is in bad faith.**

"The Cyberpiracy prevention section of the Lanham Act, 15 U.S.C. § 1125(d), makes a person liable for the 'bad faith intent to profit' from a protected mark by using a domain name that is identical or confusingly similar. Liability for federal cyberpiracy occurs when a plaintiff proves that (1) its mark is a distinctive or famous mark entitled to protection, (2) the defendant's domain names are identical or confusingly similar to the names are identical or confusingly similar to the plaintiff's marks, and (3) the defendant registered the domain names with the bad faith intent to profit from them." *PetMed Express, Inc. v. MedPets.com, Inc.*, 336 F. Supp. 2d 1213, 1218 (S.D. Fla. 2004) (citation omitted).

THANH NGUYEN's "Tipsy" Mark is a suggestive mark, therefore the Mark is inherently distinctive. "Our circuit recognizes four categories of distinctiveness, listed in ascending order of strength: "(1) generic- marks that suggest the basic nature of the product or service; (2) descriptive- marks that identify the characteristic or quality of a product or service; (3) suggestive- marks that suggest characteristics of the product or service and require an effort of the imagination by the consumer in order to be understood as descriptive; and (4) arbitrary or fanciful- marks that bear no relationship to the product or service, and the strongest category of trademarks.'" *Tana v. Dantanna's*, 611 F.3d 767, 774 (11th Cir. 2010) (quoting *Gift of Learning Found., Inc. v. TGC, Inc.*, 329 F. 3d 792, 797-98 (11th Cir. 2003)). "Suggestive and arbitrary or fanciful marks are deemed 'inherently distinctive' because 'their intrinsic nature serves to identify a particular source of a product' and are generally entitled to trademark protection." *Id.* (citation omitted). Plaintiff's

“Topsy” Mark plays on the idea of “tips,” or the application of acrylic manicures, and serving alcohol to clients while receiving their spa services, sometimes making them feel “tipsy.” As a result, THANH NGUYEN’s “Topsy” Mark is properly categorized as a suggestive mark.

“Courts generally have held that a domain name that incorporates a trademark is confusingly similar to that mark if consumers might think that [the domain name] is used, approved, or permitted by the mark holder.” *Sound Surgical Technologies, LLC v. Leonard A Rubenstein, M.D., P.A.*, 734 F. Supp. 2d 1262, 1275 (M.D. Fla. 2010). (internal quotations and citations omitted). “[W]hen a firm uses a competitor’s trademark in the domain name of its web site, users are likely to be confused as to its source or sponsorship.” *Id.* at 1272 (internal quotations and citation omitted). “The fact that confusion about a website’s source or sponsorship could be resolved by visiting the website is not relevant to whether the domain name itself is identical or confusingly similar to a plaintiff’s mark.” *Id.* at 1275-76. (internal quotations and citation omitted). Defendants continue to use the domain name www.tipsyspa.com to promote Defendants’ Topsy of Wellington salon. Use of Plaintiff’s “Topsy” Mark in connection with “spa,” a generic term associated with the services provided by both parties’ salons is insufficient to prevent customer confusion, as demonstrated by the numerous incidents of actual customer confusion stemming from that domain name. *Aff of C. Hasson* at ¶¶ 5, 11. Further, BIONDO recently posted a disclaimer on the website stating: “We are not affiliated with any other salon using a similar name.” Not only is this disclaimer insufficient to prevent customer confusion, but demonstrates that actual customer confusion is occurring and suggests that BIONDO has actual knowledge of it.

In determining a bad faith intent to profit, the Anticybersquatting Consumer Protection Act (ACPA) sets out nine non-exclusive factors for the court to consider in 15 U.S.C. § 1125(d)(1)(B)(I).

See Victoria's Cyber Secret Ltd. Partnership v. V Secret Catalogue, Inc., 161 F. Supp. 2d 1339, 1346 (S.D. Fla. 2001); *see also Southern Grouts & Mortars, Inc. v. 3M Co.*, 575 F. 3d 1235, 1244 (11th Cir. 2009) (consideration of the factors enumerated in the statute is permissive, not mandatory); *Virtual Works, Inc. v. Volkswagon of Am., Inc.*, 238 F. 3d 264, 269 (4th Cir. 2001) ("We need not ... march through the nine factors seriatim because the ACPA itself notes that use of the listed criteria is permissive."). "In determining bad faith intent, the Court may consider all relevant factors and is not limited to the nine listed factors in determining whether or not bad faith criteria has been met." *Id.* at 1347. (citations omitted).

Currently, BIONDO has no intellectual property rights in the domain name www.tipsyspa.com. Although Defendants have filed an application with the Patent and Trademark Office for registration of the name "Topsy Spa Salon," THANH NGUYEN has filed an Opposition to that application as a result of likelihood of confusion with his federally registered mark. A copy of Plaintiff THANH NGUYEN's Notice of Opposition is attached as **Exhibit "12."** Further, Plaintiff's "Topsy" Mark in no way identifies BIONDO. Defendants use of the domain name "tipsyspa.com" creates the appearance that Defendants' salon is somehow associated, affiliated or condoned by Plaintiff and other "Topsy" salons lawfully using Plaintiff's "Topsy" Mark. When BIONDO originally registered the www.tipsyspa.com domain name in July of 2008, he was permitted to do so as 50% of the Topsy of Wellington Nail Spa and Salon and was not originally infringing on Plaintiff's Mark. However, "a bad faith intent to profit from a domain name can arise either at the time of registration or at any time afterwards." *Sound Surgical*, 734 F. Supp. 2d at 1277. (citations omitted). On or about March 11, 2010, BIONDO signed a Business Sale Agreement, under which he purchased the remaining 50% interest in the Wellington Salon. *See* Ex. 3. The Agreement

states specifically with respect to the domain name www.tipsyspa.com “[a]s it relates to the website, BUYER shall redirect the domain name Tipsyspa.com to another location without the name ‘Tippy’ after one (1) year.” [Ex. 3, ¶ 8]. Therefore, beginning no later than March 11, 2011, BIONDO’s continued use of the domain name is in contravention of the Agreement and constitutes bad faith. The similarity of the layout of BIONDO’s website, content, services, menus, specials and logos makes it appear as though Plaintiff’s “Tippy” salons are associated with Defendants’ Wellington Tippy salon, thereby diverting business from Plaintiff to Defendants. Defendants continue to infringe on Plaintiff’s “Tippy” Mark by operating under the “Tippy” name after expiration of the Agreement and Defendants are promoting their counterfeit services using the www.tipsyspa.com domain name in an attempt to profit from Plaintiff’s distinctive Mark.

e. Remedies under the Lanham Act

i. DAMAGES

(1) Plaintiffs have elected to seek statutory damages for use of a counterfeit mark pursuant to 15 U.S.C. § 1117(c).

Having asserted and shown proof of claims pursuant to 15 U.S.C. § 1114(a), 15 U.S.C. § 1125(a) and 15 U.S.C. § 1125(d), Plaintiffs have elected to pursue statutory rather than actual damages from Defendants. “The statutory damage provision, § 1117(c), was added in 1995 because ‘counterfeit records are frequently nonexistent, inadequate, or deceptively kept ... making proving actual damages in these cases extremely difficult if not impossible.’” *PetMed Express*, 336 F. Supp. 2d at 1219-20. (citations omitted). “District courts have wide discretion in awarding statutory damages.” *Id.* at 1219. (citations omitted).

Section 1117(c) states:

[i]n a case involving the use of a counterfeit mark (as defined in section 1116(d) of this title) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect ... an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services in the amount of—

(1) not less than \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

(2) if the court finds that the use of the counterfeit mark was willful, not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.

Section 1116(d) provides that in cases arising under section 1114(1)(a) concerning violations using a counterfeit mark, a counterfeit mark is defined as “a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.” § 1116(d)(B)(I). As a result of Plaintiffs’ demonstration of a violation of Section 1114(1)(a) above, Plaintiffs have shown that Defendants’ use of the counterfeit “Topsy” name and www.tipsyspa.com domain name are likely to lead customers to believe that the Topsy salons are affiliated, causing actual customer confusion.

A determination as to the amount of statutory damages awarded pursuant to section 1117(c) varies depending on whether the violation was willful. “This court has defined willful infringement ‘as when the infringer acted with actual knowledge or reckless disregard for whether its conduct infringed upon the plaintiff’s copyright.’” *PetMed Express*, 336 F. Supp. 2d at 1220 (*quoting Arista Records, Inc. v. Beker Enter., Inc.*, 298 F. Supp. 2d 1310, 1312 (S.D. Fla. 2003)). “A willful violation of a trademark occurs when the infringer knowingly and deliberately cash[es] in upon the

good will of [the trademark owner].” *Pandora Jewelers*, at *19. (Internal quotations and citations omitted).

Defendants willful violations are particularly egregious in this case. BIONDO deliberately set out to benefit from THANH NGUYEN’s valid “Topsy” Mark by continuing to use the Mark after the December 23, 2010, cease and desist letter, after the expiration of the one (1) year license agreement on March 11, 2011, then attempted to secretly register “Topsy” as his own name both federally and in Florida. Defendants used the identical logo as Plaintiffs. Defendants refused to redirect the www.tipsyspa.com domain name after one year. The infringing activity occurred on the internet, thereby reaching an unknown quantity of customers. *See PetMed Express*, 336 F. Supp. 2d at 1221. Defendants attempted to justify their willful infringement by testifying that they added the generic words “spa” and “salon” to the name, but they had actual knowledge that THANH NGUYEN also used those generic terms in connection with his Topsy salons.

Having established Defendants willfulness pursuant to section 1117(c)(2), Plaintiffs seek an award of \$800,000 for the infringing use of the “Topsy” mark and the infringing domain name www.tipsyspa.com. This amount compensates Plaintiffs for the damages suffered as a result of the infringing conduct, and will deter others from engaging in infringing activity. *See PetMed Express*, 336 F. Supp. 2d at 1221 (awarding \$800,000, \$400,000 per infringing domain name); *see also Louis Vuitton Malletier & Oakley v. Veit*, 211 F. Supp. 2d 567, 584 (E.D. Pa. 2002) (“While the record contains no evidence of the actual scope of the defendants’ sales, nor the number of hits the internet site received, given the scope of the internet supermarket, such sale offerings are presumptively high and proscribed by the Lanham Act.”). Defendants repeated discovery violations prevented Plaintiffs from determining Defendants’ profits from the infringement or the extent of confusion by

Defendants' customers, but the 4-pages of financial documents produced by defendants show revenues of \$1,706,878.60 in 2 years. An award of statutory damages should also be commensurate with the revenues that Defendants have earned while they willfully infringed on the Mark and attempted to register their own Topsy mark in violation of the Agreement and the Lanham Act.

(2) Plaintiffs elect to seek Statutory Damages for violations of 15 U.S.C. § 1125(d) pursuant to 15 U.S.C. 1117(d).

Plaintiffs have also elected to pursue statutory damages, as opposed to actual damages, as permitted by 15 U.S.C. § 1117(d), for liability for federal cyberpiracy pursuant to 15 U.S.C. § 1125(d)(1). "[T]he plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name, as the court considers just. The statutory damages provision serves to deter wrongful conduct and to provide adequate remedies for trademark owners who seek to enforce their rights in court." *PetMed Express*, 336 F. Supp. 2d at 1221 (citation omitted).

Defendants continued use of the www.tipsyspa.com domain name after expiration of the one-year license agreement, on a website that offers the same services in a salon less than 30 miles from Plaintiff's Topsy of Jupiter salon, which continues to create actual customer confusion, demonstrates a bad faith intent to profit from the domain name. Plaintiffs request \$50,000 in statutory damages for continued, willful, deliberate and bad faith use of a domain name which Defendants know and rely on the fact that it causes customer confusion with the good will associated with Plaintiff's "Topsy" Mark. *See Victoria's Cyber Secret*, 161 F. Supp. 2d at 1339 (awarding \$10,000 per infringing domain name for a total of \$40,000 pursuant to Section 1117(d)); *see also PetMed*

Express, 336 F. Supp. 2d at 1222 (awarding \$100,000 (\$50,000 per domain name) to be a reasonable award when bad faith was proven).

(3) Attorney's Fees pursuant to 15 U.S.C. § 1117(a).

Plaintiffs are also seeking an award of attorney's fees pursuant to 15 U.S.C. § 1117(a), which permits an award of attorneys fees for a violation of sections 1125(a), (c) or (d). Section 1117(a) states that attorney's fees may be awarded in "exceptional cases." "The Eleventh Circuit has defined an exceptional case as a case that can be characterized as malicious, fraudulent, deliberate, and willful." *PetMed Express*, 336 F. Supp. 2d at 1222 (quoting *Burger King Corp. v. Pilgrim's Pride Corp.*, 15 F. 3d 166, 168 (11th Cir. 1994) (citation omitted)).

Due to Defendants willful infringement in the face of Defendants knowledge and acknowledgment of lack of ownership in Plaintiff's "Topsy" Mark, BIONDO's failure to stop using Plaintiff's "Topsy" Mark in spite of a December 23, 2010, cease and desist letter demanding that he do so, Defendants continued use of the "Topsy" Mark after March 11, 2011, and Defendants attempts to file both a federal and state trademark for an identical "Topsy" mark demonstrate Defendants' bad faith efforts to benefit from Plaintiff's "Topsy" Mark. Further, "an award of attorney's fees and costs will serve the important functions of deterring future infringements, penalizing Defendants for their unlawful conduct, and compensating Plaintiff for their fees and costs." *PetMed Express*, 336 F. Supp. 2d at 1222. Plaintiffs have demonstrated an entitlement to an award of reasonable costs and attorney's fees.

ii. INJUNCTIVE RELIEF UNDER LANHAM ACT

Plaintiffs are entitled to a permanent injunction from further infringement of THANH NGUYEN's "Topsy" Mark pursuant to 15 U.S.C. § 1116(a). Section 1116(a) states courts

shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction.

“Under the statute, a plaintiff is entitled to permanent injunctive relief if the plaintiff succeeds on the merits of his or her claims and if the equities involved favor injunctive relief.” *PetMed Express*, 336 F. Supp. 2d at 1223 (citation omitted).

Defendants’ use of Plaintiff’s “Tippy” Mark infringes on THANH NGUYEN’s trademark registration in violation of the Lanham Act, 15 U.S.C. § 1114(1) and 15 U.S.C. § 1125(a). As a result, THANH NGUYEN is entitled to an injunction enjoining Defendants and its corporated affiliates and subsidiaries, officers, agents, servants, employees, attorneys and those in active concert and participation with them from the unauthorized use or employment in connection with buying, advertising, promoting, displaying, offering for sale or distributing of goods, merchandise, or services containing or having attached or having association therewith THANH NGUYEN’s “Tippy” trademark or trade name or colorable imitations therefore and specifically including in connection with full services spas and salons featuring bar services in the South Florida region. 15 U.S.C. § 1116(a); *Babbitt Electronics*, 38 F.3d at fn. 8; *Jaguar [Jaguar] Cars Ltd. v. Skandrani*, 771 F. Supp. 1178, 1185 (S.D. Fla. 1991).

In recent weeks, more than six months after this litigation was filed, Defendants have added a disclaimer to the www.tipsyspa.com website stating “We are not affiliated with any other salon

using a similar name.”³ However, Defendants continue to use the “Topsy” name in association with the business facade, advertising, the www.tipsyspa.com domain name is still live and Defendants have made no other attempts to cease use of the name. Therefore, Plaintiffs ask that a permanent injunction be issued to prevent Defendants from resuming use of the “Topsy” Mark in any way. *See Nutrivida, Inc. v. Immuno Vital, Inc.*, 46 F. Supp. 2d 1310, 1319 (S.D. Fla. 1998).

f. Count V- Unjust Enrichment

“To prevail on a cause of action for unjust enrichment, a plaintiff must show that: 1) a benefit was conferred on defendant, 2) defendant had knowledge of the benefit conferred, 3) defendant accepted and retained the benefit, and 4) it would be inequitable for defendant to retain the benefit without compensation to the plaintiff.” *TracFone Wireless, Inc. v. Pak China Group Co. Ltd.*, 2012 WL 539945, No. 1:10-CV-24386-JEM (S.D. Fla. 2012) (citations omitted). Although an express contract exists between the parties and was breached by BIONDO, Plaintiffs have not alleged unjust enrichment based on that contract, therefore this claim may proceed. *See id.* This claim applies to Defendants’ continuing infringement of Plaintiff’s “Topsy” Mark without compensation or control to THANH NGUYEN.

Defendants received and continue to benefit from the goodwill and reputation associated with the use of THANH NGUYEN’s “Topsy” Mark. BIONDO knew of the value of the “Topsy” Mark and accepted and retained the benefit of the use of the “Topsy” Mark, in the form of significant financial benefits and use of goodwill of the “Topsy” Mark, with no right to do so and without compensation to THANH NGUYEN. Allowing Defendants to retain such a benefit, without

³ A copy of the Defendants’ current homepage displaying the disclaimer from the domain name www.tipsyspa.com is attached hereto as **Exhibit “13.”**

compensation to THANH NGUYEN, would be inequitable. THANH NGUYEN has suffered damages as a result of this inequitable and unlawful use of his "Topsy" Mark by Defendants. The amount of such damages should be the revenues earned by Defendants while using the Mark.

g. Count VI and VII- Breach of Contract- Damages and Injunctive Relief

i. BIONDO's failure to pay the purchase price was a material breach.

"The elements of a breach of contract action are: (1) a valid contract, (2) a material breach, and (3) damages. *Bookworld Trade, Inc. v. Daughters of St. Paul, Inc.*, 532 F. Supp. 2d 1350, 1357 (M.D. Fla. 2007). (citation omitted). "To constitute a vital or material breach a [party's] nonperformance must be such as to go to the essence of the contract; it must be the type of breach that would discharge the injured party from further contractual duty on his part." *Paul Gauguin Cruises, Inc. v. eCONTACT, Inc.*, No. 10-80038-CIV (March 1, 2011, S.D. Fla 2011) (*quoting Beefy Trail, Inc. v. Beefy King Intern., Inc.*, 267 So. 2d 853, 857 (Fla. Dist. Ct. App. 1972)).

The Business Sale Agreement is a valid contract. All parties were represented by Counsel, each party initialed and signed the Agreement, and the parties relied and acted as though they were governed by the Agreement for nearly two years after it was signed. Upon signing the Agreement and conveying their 50% interest in the Wellington Nail Spa and Salon to BIONDO, Plaintiffs complied with their obligations under the Agreement. BIONDO was likewise obligated to perform under the Agreement. BIONDO agreed to pay a total of \$164,000 in order to gain 100% interest in the Topsy Nail Spa & Salon at Wellington Reserve. According to Section 1 of the Business Sale Agreement: "[t]he total Purchase Price for all fixtures, furnishing, and equipment is \$164,000 Dollars payable as follows: (a) \$20,000.00 paid by bank checks, as a deposit upon execution of this

Agreement; and (b) and the remaining balance \$144,000.00 to be paid by the BUYER to the SELLERS in weekly installments of \$800.00 until paid in full.” After paying the initial \$20,000.00 at the time the Agreement was executed, BIONDO made installment payments totaling \$35,800, many of which were incomplete or late, as BIONDO stopped paying his weekly installment payments in August 2010 then started making payments again on January 12, 2011. BIONDO’s final payment was made on May 19, 2011 (after BIONDO filed for his own Topsy service mark). The total due from BIONDO for the principal due under the Agreement is \$108,200.00. The failure of BIONDO to make the required installment payments constitutes a material breach of the Agreement.

ii. Defendant’s Continued use of the “Topsy” Name and Mark After March 11, 2011, constitutes a Material Breach of the Agreement.

In determining the meaning of a contract, “[t]he language used in a contract is the best evidence of the intent and meaning of the parties.” *Merin Hunter Codman, Inc. v. Wackenhut Corrections Corp.*, 941 So. 2d 396, 398 (Fla. 4th DCA 2006) (quoting *Jenne v. Church & Tower, Inc.*, 814 So. 2d 522, 524 (Fla. 4th DCA 2002)). Further, “[w]here words of a contract are clear and definite, they must be understood according to their ordinary meaning.” *Merin Hunter*, 941 So. 2d at 398 (quoting *Institutional & Supermarket Equip., Inc. v. C & S Refrigeration, Inc.*, 609 So. 2d 66, 68 (Fla. 4th DCA 1992)). ““The ... agreement controls the rights of the respective parties in the use of the [mark].”” *Int’l Cosmetics Exchange, Inc. v. Gapardis Health & Beauty, Inc.*, 303 F. 3d 1242, 1247 (11th Cir. 2002) (quoting *Aff. Hosp. Prods., Inc. v. Merdel Game Mfg. Co.*, 513 F. 2d 1183, 1186 (2d Cir. 1975)).

The express language of Section 8 of the Agreement provides, “[t]he PARTIES

further agree that BUYER shall be entitled, for a period of one (1) year after the execution of this document to continue operating the BUSINESS using the name 'Topsy.' The PARTIES further agree that the right to use the name 'Topsy' or any mark associated with that business name is not being purchased by BUYER." The language establishes that BIONDO has no rights in THANH NGUYEN'S registered or common law rights in the "Topsy" Mark. No ambiguity exists in the Agreement, as it explicitly states the permitted time period, ownership and use of THANH NGUYEN's Mark. Therefore, the Court should enter summary judgment to enforce this contractual right to prevent Defendant, Barry Biondo and his wholly owned entity, Topsy Spa and Salon, Inc., from using and profiting from the Mark.

iii. Defendant's Failure to Provide Security as Required by the Business Sale Agreement constitutes a Material Breach.

BIONDO committed a third and separate material breach of the Agreement by failing to provide the necessary security as required by the Agreement. Section 1 of the Business Sale Agreement states in pertinent part: "BUYER owns and agrees to use as security for this purchase the certain parcel of real property legally described as Parcel 1-05-37-35-0050-00590-0800; Basswood Unit 5 Lot 80 Block 59; located at 3004 Highway 98 North in Okeechobee, Florida ("Real Property"). Should BUYER sell such land, he will pay the proceeds to SELLERS to reduce the remaining balance owed to SELLERS, as provided in (b)." BIONDO never provided a mortgage or other security interest in the Real Property, which has caused additional harm to Plaintiffs in light of BIONDO's failure to make the required payments.

iv. Plaintiffs are entitled to Damages for Breach of Contract.

“[A] breach of contract claim requires proof of damages.” *Ameripath, Inc. v. Wetherington*, No. 10-60766-CIV, 2011 WL 1303804 (S.D. Fla. 2011). “A plaintiff moving for summary judgment as to liability only does not need to prove the specific amount of damages to prevail. Conflicting evidence as to the amount of damages does not raise a genuine issue as to liability.” *Ameripath*, 2011 WL 1303804 *5 (S.D. Fla. 2011) (citation omitted). “The plaintiff only needs to prove *some* amount of damages.” *Id.* Here, Plaintiffs suffered monetary damages as a result of Defendant, BARRY BIONDO’s three material breaches of the Agreement. The total due from BIONDO for the principal due under the Agreement is \$108,200.00. *Aff. of T. Nguyen* at ¶ 26.

v. Plaintiffs are entitled to Injunctive Relief under the Contract.

A district court may grant injunctive relief only if the moving party shows that: (1) it has a substantial likelihood of success on the merits; (2) irreparable injury will be suffered unless the injunction issues; (3) the threatened injury to the movant outweighs whatever damage the proposed injunction may cause the opposing party; and (4) if issued, the injunction would not be adverse to the public interest.” *Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, Slip Copy, 2011 WL 2174012 * 19 (S.D. Fla. 2011). “The standard for a permanent injunction is essentially the same as for a preliminary injunction except that the plaintiff must show actual success on the merits instead of a likelihood of success.” *Id.*

First, Plaintiffs have established a substantial likelihood of success on their breach of contract claim by showing that BIONDO breached that Agreement in three separate and distinct ways: the failure to pay the purchase price, the failure to provide security, and by using the Mark.

Second, Plaintiff THANH NGUYEN has suffered irreparable injury. The Eleventh Circuit

has stated that “[b]y its very nature, trademark infringement results in irreparable harm because the attendant loss of profits, goodwill, and reputation cannot be satisfactorily quantified and, thus, the trademark owner cannot adequately be compensated.” *Dunkin Donuts Franchised Rest.*, 634 F. Supp. 2d at 1336 (quoting *Societe Des Produits Nestle, S.A.*, 982 F. 2d 633, 640 (1st Cir. 1992)). “Grounds for irreparable harm include loss of control of reputation, loss of trade, and loss of goodwill. Irreparable injury can also be based upon the possibility of confusion.” *Ferrelgas Partners, L.P. v. Barrow*, 143 Fed. Appx. 180, 190 (11th Cir. 2005) (citations omitted).

Here, THANH NGUYEN has demonstrated irreparable injury by establishing that: he is unable to exercise control over the quality and use of his “Topsy” Mark at BIONDO’s Wellington salon because BIONDO is using the Mark without permission (Aff. of T. Nguyen at ¶ 34); he has received inquiries both in person and via telephone from customers and suppliers as to whether his other hair and nail salons which use his “Topsy” Mark, and BIONDO’s Wellington salon that improperly uses the “Topsy” Mark are associated with one another (Aff. of T. Nguyen at ¶ 33); and he possesses the “Topsy” Mark which is properly registered with both the United States Patent and Trademark Office and the Florida Department of State and Defendants’ continued use of that mark in breach of the Agreement. Further, Plaintiffs are allowed no access to the salon or its records to determine the quality control, customer care or to protect the reputation of the “Topsy” Mark. Customers have experienced actual confusion as to the association of the competing salons (Aff. of T. Nguyen at ¶ 33) and the losses suffered by Plaintiffs are not easily quantified.

Third, the threatened injury to the movants outweighs whatever damage the proposed injunction would cause to Defendants. BIONDO has no right to complain of the harm he will suffer from the loss of the “Topsy” name to which he no longer has any right to use the Mark. See *Dunkin*

Donuts Franchised Rest., 634 F. Supp. 2d at 1336 (citations omitted) (finding the balance of harm went against a franchisee who had breached the franchise agreement by failing to make payments, but continued to operate under the “Dunkin Donuts/Baskin-Robbins” marks, because the probable loss of consumer good will outweighed Defendant’s inability to sell Plaintiffs’ products).

Finally, a preliminary injunction in this case “is not against the public interest because the public interest is served by preventing customer confusion in the marketplace.” *Id.* The parties’ competing salons are approximately 25 miles from each other, they all feature professional nail and salon services including full bar services, a similar motif and, in connection with Biondo’s use of the counterfeit “Topsy” name, they feature a “very similar” concept. (Biondo Depo. pg. 175). Further, it is in the public interest to enforce written agreement that have resolved long standing disputes, like the Business Sale Agreement in this case.

Plaintiffs have met each of the required elements of a permanent injunction. Accordingly, Plaintiffs request that the Court issue a permanent injunction to bar Defendants use of the Mark.

h. Count IX- Trademark Dilution, Florida Statute §495.151, et seq.

Defendants use of the domain name www.tipsyspa.com dilutes THANH NGUYEN’s “Topsy” Mark by preventing THANH NGUYEN from registering such a domain name and diminishes Plaintiff’s ability to distinguish and identify his services on the Internet. *See Panavision Int’l, L.P. v. Toeppen*, 141 F. 3d 1316, 1325 (9th Cir. 1998). Similar to the Federal dilution statute, Florida’s anti-dilution statute permits a court to enjoin the user of the “same or similar mark ... if such use begins after the mark has become famous and is likely to cause dilution of the distinctive quality of the famous mark.” Fla. Stat. § 495.151. In determining whether the mark is distinctive and famous,

the court may consider a non-exclusive list of eight factors.⁴ THANH NGUYEN has used his “Topsy” Mark continuously in commerce in connection with providing high end spas and salons featuring bar services since 2006, the “Topsy” Mark is a federal trademark on the principal register, “Topsy” is a registered Florida trademark and Defendants are the only known third party users of the same or similar “Topsy” mark who are not authorized to do so by Plaintiff.

“To find dilution, a court need not rely on the traditional definitions such as ‘blurring’ and “‘tarnishment.’” *Panavision*, 141 F. 3d at 1326. By continuing to use the domain name www.tipsyspa.com, Defendants have diminished THANH NGUYEN’s capacity to identify and distinguish Topsy’s services on the Internet. *See id.* “A significant purpose of a domain name is to identify the entity that owns the web site.” *Id.* at 1327. “A customer who is unsure about a company’s domain name will often guess that the domain name is also the company’s name.” *Id.* (quoting *Cardservice Int’l v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997)). “[A] domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base.” *Id.* (quoting *MTV Networks, Inc. v. Curry*, 867 F. Supp. 202, 203-04 n.2 (S.D.N.Y. 1994)). Defendants’ use of Plaintiff’s Mark as a domain name detracts customers from Plaintiffs’ website and those that accidentally access Defendants’ website may fail to continue to search for THANH NGUYEN’s web site. This use of the “Topsy” Mark constitutes trademark

⁴ These factors include: (a) The degree of inherent or acquired distinctiveness of the mark in this state; (b) The duration and extent of use of the mark in connection with the goods and services with which the mark is used; (c) The duration and extent of advertising and publicity of the mark in this state; (d) The geographical extent of the trading area in which the mark is used; (e) The channels of trade for the goods or services with which the mark is used; (g) The degree of recognition of the mark in the trading areas and channels of trade in this state used by the mark’s owner and the person against whom the injunction is sought; (h) Whether the mark is the subject of a state registration in this state or a federal registration under the Federal Trademark Act of 1881 or 1905, or a principal register.

dilution and THANH NGUYEN is entitled to an injunction.

2. SUMMARY JUDGMENT SHOULD BE ENTERED ON THE AFFIRMATIVE DEFENSES

a. Defendants cannot establish duress.

BIONDO has asserted in Affirmative Defense No. 10 that he was under duress when he signed the Business Sale Agreement. [D.E. 34]. In deposition, BIONDO asserted that he was evicted from his business location in late 2010 because Plaintiff LUONG NGUYEN would not help him defend an eviction lawsuit. There is no legal basis to assert that, even if true, this conduct constitutes duress. The eviction suit was filed after the Agreement was signed. The Agreement required BIONDO to remove LUONG NGUYEN from the lease, it did not require LUONG NGUYEN to pay BIONDO's rent or help him in an eviction lawsuit. See Agreement, ¶ 10 (Ex. 3).

In order to rescind an agreement as a result of economic duress, "[t]he aggrieved party must show: (1) wrongful acts or threats, (2) financial distress caused by the wrongful acts or threats, and (3) absence of a reasonable alternative course of action." *Amoco Oil Co. v. Gomez*, 125 F. Supp. 2d 492, 503 (S.D. Fla. 2000). "'The burden of proof to show duress ... in the execution of a legal instrument lies with the party claiming duress.'" *Sundale, Ltd. v. Fla. Assoc. Capital Ent., LLC*, Slip Copy, No. 11-20635-CIV, Feb. 14, 2012 *10 (S.D. Fla. 2012) (quoting *Smith v. Paul Revere Life Ins. Co.*, 998 F. Supp. 1412, 1416 (S.D. Fla. 1997)). When a claim of economic duress contains no evidence of the fraud or duress alleged, it is possible to resolve it on summary judgment. See *Edwards v. Kia Motors of America, Inc.*, 486 F. 3d 1229, 1235 (11th Cir. 2007).

"A contract or release which is induced by duress is voidable, not void, and the person claiming duress must act promptly to repudiate the contract or release, or he will be deemed to have

waived his right to do so.” *G.E.E.N. Corp. v. Southeast Toyota Dist., Inc.*, No. 93-632-CIV-ORL-19, Aug. 13, 1994 *7 (M.D. Fla. 1994). “Both federal and Florida courts have rejected claims for rescission where parties waited too long to assert their rights.” *Id.* See e.g. *Grillet v. Sears, Roebuck & Co.*, 927 F. 2d 217, 221 (5th Cir. 1991) (Two and one half year delay in seeking rescission too long); *In re Boston Shipyard Corp.*, 886 F. 2d 451 (1st Cir. 1989) (One and a half years too long to delay bringing duress challenge). Further, “settlement agreements are favored as a means to conserve judicial resources. Courts will enforce them when it is possible to do so.” *Spiegel v. H. Allen Holmes, Inc.*, 834 So.2d 295, 297 (Fla. 4th DCA 2002). “Once an agreement to settle is reached, one party may not unilaterally repudiate it.” *Reed v. United States*, 891 F.2d 878, 882 n.3 (11th Cir. 1990).

Here, all parties were represented by counsel when negotiating and entering into the Agreement, which was executed after continuing disputes about the business. BIONDO had excluded LUONG NGUYEN from the business, removed her name from the Suntrust Bank business account, and excluded Plaintiffs from the business affairs. THANH NGUYEN had filed suit against BIONDO for repeat violence. The parties’ long standing business dispute and adversarial relationship was settled with the execution of the Agreement. BIONDO received substantial benefits from the Agreement, including an operating business, and use of the Topsy Mark for one year. He accepted these benefits and continues to enjoy the benefits to this day, albeit without payment and without legal rights to the Mark. BIONDO acted as though he was bound by making some installment payments, using the Mark, operating the business, and failing to assert any contract defenses until after he was sued. BIONDO voluntarily signed the Agreement to settle the parties’ dispute. BIONDO’s allegation of duress has no basis in fact. Based upon these uncontroverted facts, summary judgment should be entered against BIONDO on duress defense. See *Hall v. Burger King*

Corp., 912 F. Supp. 1509, 1542, fn. 86 (S.D. Fla. 1995) (granting franchisor's motion for summary judgment in part because franchisee's claim of economic duress was entirely void of proof and asserted only in her counsel's memorandum of law).

b. Summary Judgment should be entered on Defendants' Affirmative Defenses of Setoff, Laches, Breach, Unclean Hands and Equitable Estoppel.

Defendants' Affirmative Defense Nos. 4 (equitable estoppel), 5 (laches), 7 (setoff), 8 (unclean hands), 9 (prior breach) and 10 (duress) do not allege *any* facts to support any of these defenses, and Defendants failed to produce a single document in discovery which supports any of these defenses. The Affirmative Defenses themselves contain no factual allegations whatsoever. BIONDO testified in deposition that he knows of no factual basis for any of these affirmative defenses other than the duress claim. As to the duress claim, BIONDO's testimony does not create an issue of material fact. Without evidence to support these defenses, BIONDO's performance is not excused, and his affirmative defenses are insufficient to withstand a motion for summary judgment.

i. There is no factual basis for the affirmative defense of equitable estoppel.

A claim for equitable estoppel requires "(1) a representation of fact by one party contrary to a later asserted position; (2) good faith reliance by another party upon the representation; and (3) a detrimental change in position by the later party due to the reliance." *Marine Transp. Services Sea-Barge Group, Inc v. Python High Perf. Marine Corp. v. Python High Performance Marine*, 16 F. 3d 1133, 1139 (11th Cir. 1994).

BIONDO was deposed on March 29, 2012. When asked if he had any facts to support that

defense, BIONDO stated "I have no idea." (Biondo Depo. p. 247, lns. 8-12) [DE 52]. Defendants presented no evidence of a representation of fact, reliance or corresponding harm, and BIONDO's testimony admits that this defense is without a foundation. Therefore, summary judgment is appropriate.

ii. There is no factual basis for the affirmative defense of laches.

Affirmative defense No. 5 alleges laches. To establish the defense of laches, "a defendant must show (1) a delay in the plaintiff's assertion of a right or claim; (2) the delay was not excusable; and (3) the delay caused undue prejudice." *Pandora Jewelers*, at *4 (citation omitted). When asked whether he had any factual support for his fifth affirmative defense, BIONDO stated "[n]o, I don't at this time." (Biondo Depo., p. 247, lns. 15-17).

Plaintiffs filed suit on October 11, 2011 – within months after BIONDO infringed on the Mark after March 11, 2011. The lawsuit was filed well within the five year statute of limitations for filing an action on a written contract. *See* § 95.11(2)(b), Fla. Stat. There was no delay, or any other basis for the defense of laches. Defendant has not presented evidence as to any one of these factors, and therefore summary judgment is appropriate with respect to this and the equitable estoppel defense.

iii. There is no factual basis for the affirmative defense of setoff.

Affirmative defense No. 7 alleges "setoff" due to a prior breach. Defendants do not allege any basis to support the allegation of prior breach. However, BIONDO testified about this defense as follows: "[i]f everything went as planned they would have gotten their money. But they didn't. So I had to move. Whatever monies that I had to pay them, I had to, you know, rebuild. That's, I'm assuming that's what I meant there." (Biondo Depo., pg. 249, lns. 14-18). This testimony not only

fails to present support for a setoff defense, it admits to the material breach of non-payment.

BIONDO's testimony refers to his need to relocate the salon business after he was evicted by a third party. The eviction action occurred after the Agreement was signed. BIONDO knew that his rent was well past due and that his landlord had been making demands for money throughout 2009 and 2010. There is no basis to allege that the eviction action (by a third party) was a breach of the Agreement by Plaintiffs. Indeed, BIONDO knew that the rent was late in 2009, and he had been operating the business to the exclusion of Plaintiffs throughout 2008 and 2009. Prior to the date of the Agreement, BIONDO testified that he had total control over the business operations. (Biondo Depo., pp. 12-13, lns. 18-25; 4-9). BIONDO has no one to blame but himself for the eviction. It should be noted that the Stipulation signed as part of the eviction resulted in BIONDO avoiding liability for any back rent, in the amount of \$115,000. A copy of the email correspondence between Chip Carlson, Esq. and BIONDO regarding this back rent is attached hereto as **Composite Ex. "8,"** and the Stipulation is attached as **Ex. "5."**

iv. Defendants lack any basis to claim unclean hands

Affirmative defense No. 8 alleges unclean hands. "To prevail on the affirmative defense of unclean hands, the defendant must demonstrate that alleged wrongdoing of the plaintiff is directly related to the claim at issue and that the defendant suffered injury from it." *Home Design Services, Inc. v. Stewart*, 2011 WL 796741 *6 (N.D. Fla. 2011).

When asked for factual support about this defense, Biondo answered, "[r]ight now I, I'm not really sure how to answer the question" as well as "[n]o. I, I, I'm not aware of the full meaning of the terminologies." (Biondo Depo. pg. 250, lns. 16-22). Then, Defendant again states "no" he has no factual support. (Biondo Depo., pg. 250, lns. 18-22).

v. Defendants lack any basis to claim prior breach

Defendant's ninth affirmative defense asserts that Plaintiffs' claims are barred by virtue of their prior breach of the Agreement. When asked for factual support in deposition, BIONDO responded, "[n]o, I do not know." (Biondo Depo., pg. 251, lns. 16-20). Defendant has failed to provide evidence or factual support for any of his affirmative defenses and accordingly summary judgment as to these affirmative defenses is proper.

c. Defendants' Affirmative Defenses of Authorization to Use the "Tipsy" Mark, Lack of Exclusive Ownership of the "Tipsy" Mark, Lack of Exclusive Privileges and Lack of Clear Title to the "Tipsy" Mark Lack Any Factual Support and are barred by Licensee Estoppel.

Affirmative defenses Nos. 1, 2, 3 and 6 (which allege, respectively, Authorized Use of the Mark," "No Exclusive Ownership of the Mark," "No Exclusive Rights and Privileges of the Mark" and "Lack of Standing") are not defenses to the Agreement. Even if they were contractual defenses, THANH NGUYEN had the right of exclusive ownership and control of the Mark. Aff. of T. Nguyen at ¶ 2.

BIONDO's only assertions with respect to any right to the "Tipsy" name is a vague claim that he thought he was entitled to use the name based upon events that arose two years before he signed the Agreement.⁵ BIONDO, after the signing of the Agreement, felt that the parties "were done" and he no longer had an substantial contacts with the Nguyens. (Biondo, pg. 101, lns. 1-5). Moreover, in the Agreement, BIONDO specifically disavows any right to the Mark. THANH NGUYEN had the right of exclusive ownership and control of the Mark. Aff. of T. Nguyen at ¶ 2. Further,

⁵ In 2008, when BIONDO first became involved in the business, he characterized his deal as follows: "I don't think there was any terms. As I said, nothing was written. Terms to me were you change the lease over and the bank statements, and that was good enough for me. ... [N]othing else was discussed." [Biondo, p. 201, lns. 12-15, 21].

BIONDO admits in his testimony that he has no support for these defenses. Defendant has failed to present any facts which would indicate THANH NGUYEN had any intention of assigning the Mark to Defendants. Further, the law does not allow a mark to be assigned orally. *See* Lanham Act § 10, 15 U.S.C.A. 1060. Accordingly, the Court should enter summary judgment on these defenses.

Moreover, these defenses are barred by licensee estoppel, because the defenses are based upon facts that existed during or prior to the Agreement. “[A] licensee is estopped to contest the validity of the licensor’s title during the course of the licensing arrangement The licensee has, by virtue of the agreement, recognized the holder’s ownership.” *Pandora Jewelers 1995, Inc. v. Pandora Jewelry, LLC*, 2011 WL 2174012 *5 (S.D. Fla. 2011). (*quoting Prof’l Golfers Ass’n of Am. v. Bankers Life & Cas. Co.*, 514 F. 2d 665, 671 (5th Cir. 1975)). “The Eleventh Circuit recognizes the principle that ‘after expiration of the license, a former trademark licensee may challenge the licensor’s title on facts which arose *after* the contract has expired.’” *Id.* (emphasis added).

Here, Defendants are estopped from contesting the validity of Plaintiff’s “Topsy” Mark because the defenses arose during the licensing arrangement. Therefore, summary judgment is appropriate on these defenses.

WHEREFORE, Plaintiffs respectfully request that this Court:

- a. grant the instant Motion for Summary Judgment and to permanently enjoin Defendants, Barry Biondo and Topsy Spa and Salon, Inc., and any person in active concert with them, to (a) cease and desist any present or future use of the “Topsy” Mark, www.tipsyspa.com or any name that is either in identical form or in such near resemblance as to be likely, when used on or in connection with the provision of nail care services, salon services, chemical treatments, manicures, pedicures, massages, facials, waxes, eyelash services, hair services, hygienic or beauty care, bar services, and/or food services, to cause confusion, or to cause mistake, or to deceive and (b) file with this Court and serve on Plaintiff, THANH NGUYEN within thirty (30) days after entry of this Order a report in writing under oath setting forth in detail the manner and form of compliance herewith;

- b. declare that THANH NGUYEN has a valid Federal, Florida and common law trademark for "Topsy" for services including: salon services, chemical treatments, manicures, pedicures, massages, facials, waxes, eyelash services, bar and food services;
- c. declare that Defendants were and continue to infringe on THANH NGUYEN's "Topsy" Mark by providing the services listed in subpart (b) using the "Topsy" Mark;
- d. redirect the Business domain name to a domain name that does not include "Topsy";
- e. assign the domain name www.tipsyspa.com to THANH NGUYEN;
- f. foreclose on all collateral security for payment due under Paragraph 6 of the Business Sale Agreement;
- g. to require Defendants to issue corrective advertisements notifying the consuming public in South Florida that Defendants have infringed on Plaintiff, Thanh Nguyen's "Topsy" trademark and that Defendants are enjoined from continuing to use that Mark in connection with any of the services listed in subpart (a) above;
- h. to require Defendants to assign their "Topsy Spa Salon" trademark application with the United States Patent and Trademark Office, Serial No. 85272051 to Plaintiff, THANH NGUYEN;
- i. awarding economic damages in the amount of \$108,200.00;
- j. awarding statutory damages in the amount of \$800,000 pursuant to 15 U.S.C. § 1117(c)(2);
- k. awarding statutory damages in the amount of \$50,000 pursuant to 15 U.S.C. § 1117(d)
- l. awarding Plaintiffs' attorney's fees and costs pursuant to Paragraph 15 of the Business Sale Agreement and 15 U.S.C. § 1117(a);
- m. awarding all other relief this Court deems equitable and just.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that on the 14th day of May 2012, we electronically filed the foregoing document with the Clerk of the Court via CM/ECF. We also certify that the foregoing document is being served this day on all counsel of record identified on the attached Service List in the manner specified, either via transmission or Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filings.

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SERVICE LIST

THANH NGUYEN AND LUONG NGUYEN

vs.

BARRY BIONDO AND TIPSYP SPA AND SALON, INC.

CASE NO: 9:11-CV-81156-MIDDLEBROOKS

United States District Court, Southern District of Florida

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EXHIBIT

“I”

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

THANH NGUYEN, et al.,

CASE NO. 11-81156 - CIV-
MIDDLEBROOKS/JOHNSON

Plaintiffs,

v.

BARRY BIONDO, an individual, TIPSYP SPA
AND SALON INC., a Florida Corporation,

Defendants. /

DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

COMES NOW, the Defendants, BARRY BIONDO, an individual, and TIPSYP SPA AND SALON INC, a Florida Corporation, by and through their undersigned counsel, moves the court for SUMMARY JUDGMENT against THANH NGUYEN and LUONG NGUYEN, the "Plaintiffs", pursuant to Rule 56 of the Federal Rules of Civil Procedure and Local Rule 56.1, and requests that this Court render a judgment that Plaintiffs take nothing by this suit, and states as follows:

1. The Defendants are entitled to summary judgment because, as more fully shown in the Affidavit of BARRY BIONDO and the material listed below, there is no genuine dispute as to any material fact that needs to be tried in this action:

a. The pleadings in this action show that this is an action based on alleged Trademark Infringement and Breach of Contract. The Federal Registration for the mark "TIPSYP" in question is attached as Exhibit "1" to the Plaintiffs' Amended Complaint. The written contract "Business Sale Agreement" in question is attached as Exhibit "2" to the Plaintiffs' Amended Complaint.

b. The alleged Trademark Infringement is based on the Defendants' continuous use of the service mark Topsy in the name of business of question "Topsy Spa & Salon at Wellington Reserve" after one (1) year after the contract was signed on March 11, 2010.

c. However, the testimony of the Plaintiff, THANH NGUYEN, states that Defendant, BARRY BIONDO, previously required at least 50% ownership of the Topsy Spa & Salon at Wellington Reserve on or about February 2008.

d. The testimony of the Plaintiff, THANH NGUYEN, states that he is the sole owner of the service mark "TIPSY" and he licensed it to his mother, co-Plaintiff, LUONG NGUYEN, to be used at the Topsy Nail Spa and Salon of Wellington, prior to or contemporaneous with Defendant, BARRY BIONDO, acquiring his ownership of at least 50% on or about February 2008.

e. Also the testimony of the Plaintiff, THANH NGUYEN, states he was not permitted to enter the Topsy Spa & Salon at Wellington Reserve shortly after BARRY BIONDO required his initial partial ownership in February 2008. Moreover, THANH NGUYEN, states had no control of the quality of services or goods provided at the Topsy Spa & Salon at Wellington Reserve after BARRY BIONDO acquired his ownership.

f. Furthermore, the testimony of the Plaintiff, THANH NGUYEN, and that of Defendant, BARRY BIONDO, show that neither party knew at the time they entered to the aforementioned Business Sale Agreement that the Landlord had not waived the back rent at the Topsy Spa & Salon at Wellington Reserve location, and especially neither party knew that Landlord or the Receiver would demand payment of back rent of \$104,000.00 two (2) months after the parties executed the Business Sale Agreement on March 11, 2010. Moreover, neither party anticipated that BARRY BIONDO would be evicted for the Wellington Reserve location by September 2010, only six (6) months after

executing Business Sales Agreement; BARRY BIONDO being forced to incur the additional expense of finding and building out a new location in Wellington, Florida for the Topsy Spa & Salon.

g. Lastly, the BARRY BIONDO, was threaten with continuous harassment at the Topsy Spa & Salon, with unwelcome visits, disruption of the services provided by these visits and continuous or new domestic violence prosecution by the Plaintiff, THANH NGUYEN, thus BARRY BIONDO felt like he had no choice but to sign the aforementioned Business Sale Agreement, despite his hesitation.

2. On these undisputed facts, the Defendants are entitled to judgment as a matter of law because, for the reasons set out more fully in the accompanying Memorandum of Law:

a. The Plaintiff, THANH NGUYEN, abandon his exclusivity rights to his service Mark "Topsy" at the Topsy Spa & Salon at Wellington Reserve location and the subsequent Wellington location at 10120 Forest Hill Boulevard #100 Wellington, FL 33414, because he failed to exercise actual control over the nature and quality of the goods and services offered and sold under the license of the his service Mark "Topsy" from February 2008 when BARRY BIONDO, first acquired ownership interest of the Topsy Spa & Salon at Wellington Reserve until present time. This results in a *naked license* resulting in abandonment of the mark for the aforementioned Wellington, Florida locations, where the Plaintiff, THANH NGUYEN, have not retain any protectable rights in his service Mark "Topsy" at these locations.

b. The Business Sale Agreement shall be rescinded under the *doctrine of duress* because from the time BARRY BIONDO first acquired ownership interest of the Topsy Spa & Salon at Wellington Reserve in February 2008 until the time he signed the Business Sale Agreement on March 11, 2010; he was consistently harassed and frustrated by plaintiff, THANH NGUYEN; thus Defendant, BARRY BIONDO, thought the only

way to eliminate this harassment and to operate his business without constant interruptions was to execute the aforementioned Business Sales Agreement.

c. The Defendant, BARRY BIONDO, shall be excused for non-performance of the term of contract as related to the payment under the *doctrine of commercial frustration*, it was unforeseeable that the Landlord would demand payment of all back rent of \$104,000.00 two (2) months after the execution of Business Sales Agreement and it totally destroyed the purpose of purchasing the business in question at the Wellington Reserve location for a sum of \$164,000.00, when he would incur a substantial expense of approximately \$104,000.00 which he didn't bargain for.

3. This motion is based on this document, on the accompanying Statement of Material Facts, on the accompanying Memorandum of Law, on the Affidavits of BARRY BIONDO, Deposition of THANG NGUYEN, sworn answers to the Interrogatories, on all Pleadings and papers on file in this action and exhibits, and on whatever evidence and argument may be allowed at a hearing on this motion.

WHEREFORE Defendants request summary judgment in their favor and for the Plaintiffs take nothing by this suit; and Defendants shall be granted statutory damages, costs, attorney fees, and any other relief that this Honorable Court deems appropriate and just.

Respectfully submitted,

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Attorneys for Defendants

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Document has been filed with the Clerk of the Court using its CM/ECF system and CM/ECF system will send a notice of the electronic filing to the following:

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

THANH NGUYEN, et al.,

CASE NO. 11-81156 - CIV-
MIDDLEBROOKS/JOHNSON

Plaintiffs,

v.

BARRY BIONDO, an individual, TIPSYP SPA
AND SALON INC., a Florida Corporation,

Defendants. /

DEFENDANTS' STATEMENT OF MATERIAL FACTS

In support of Defendants' motion for summary judgment, Defendants submit their statement of material facts:

1. THANH NGUYEN is the sole owner of the Florida and Federal Registered service/trademark mark "Topsy", which is used in connection with his hair and nail salon that feature bar services for his customers. A copy of the Federal Registration is attached as **Exhibit "1"**.
2. On or about January 2007, THANH NGUYEN and LUONG NGUYEN opened the Topsy Spa & Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 79 lns. 18 -25; pp. 80, lns 1-2).
3. On or about February 2008, BARRY BIONDO, agreed to purchase 50% ownership interest in Topsy Spa & Salon at Wellington Reserve for \$160,000 from THANG NGUYEN and did purchase his 50% ownership in the Topsy Spa & Salon at Wellington Reserve for \$160,000. Affidavit of BARRY BIONDO ("Aff. of B.Biondo") at ¶ 6 and 7. A copy of BARRY BIONDO'S Affidavit is attached as **Exhibit "A"**.

4. On or about February 2008, THANH NGUYEN, agreed to license his mark "Topsy" to Topsy Spa & Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 87 lns. 24-25; pp. 88, lns 1-6).

5. On or about May 2008, THANH NGUYEN, had little to none involvement in the operation and management of Topsy Spa & Salon at Wellington Reserve and he never reestablish any involvement in the nature or quality of goods and services that were offered and sold at the Topsy Spa & Salon at Wellington Reserve. On or about the same time, BARRY BIONDO, established his independence operating Topsy Spa & Salon at Wellington Reserve without any involvement from THANH NGUYEN, in that BARRY BIONDO changed the business cards, color scheme of the location and music play at the Topsy Spa & Salon at Wellington Reserve location without permission or consent THANH NGUYEN. (Thanh Nguyen Depo. pp. 92 lns. 1-25; pp. 93, lns. 1-25; pp. 94, lns. 1-4).

6. On or about September 2009, THANH NGUYEN filed a domestic/repeat violence petition for injunction against, BARRY BIONDO. On or about October 2009, THANH NGUYEN stated he would drop the charges for domestic/repeat violence against BARRY BIONDO, if he would sign a contract to purchase the remaining 50% percent ownership interest in the Topsy Spa & Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 95 lns. 7-11; pp. 96; lns. 1-25).

7. On or about March 11, 2010, THANH NGUYEN, LUONG NGUYEN and BARRY BIONDO signed the Business Sale Agreement, for BARRY BIONDO purchase the remaining 50% ownership interest in the Topsy Spa & Salon at Wellington Reserve. A true and correct copy of Business Sale Agreement is attached as **Exhibit "2"**.

8. Although BARRY BIONDO, signed the said Business Sale Agreement, he signed it under a desperate attempt to protect his investment and avoid domestic/repeat violence charges sought by the THANH NGUYEN. (Aff. of B.Biondo at ¶ 16 and 17).

9. THANH NGUYEN, explicitly stated that he licensed his "Topsy" mark to BARRY BIONDO for another year after he purchased the second half (the remaining 50% ownership interest) of Topsy Spa & Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 97 lns. 1-10).

10. More specifically paragraph 8 of the Business Sale Agreement states " The following assets are not part of the sale to Buyer and shall be retained by Sellers: (a) all rights, marks, etc. associated with the name "Topsy" (except that Buyer will be granted one (1) year usage right of the name"

11. On or about May 13, 2010, the Receiver to the Landlord for the Topsy Spa & Salon at Wellington Reserve, contacted BARRY BIONDO, and demanded payment for back rent at that location for \$104, 000. BARRY BIONDO was not aware that the Landlord had not waived the back rent at the time he entered aforementioned Business Sales Agreement. (Aff. of B.Biondo at ¶ 18, 19 and 20).

12. Furthermore, THANH NGUYEN was unaware that was back rent resulting in \$104, 000 due at the time parties signed the aforementioned Business Sales Agreement. (Thanh Nguyen Depo. pp. 105 lns. 21-25; pp. 106, lns. 1-25).

13. On or about September 2010, BARRY BIONDO was evicted from Topsy Spa & Salon at Wellington Reserve location because he couldn't pay back rent of \$104,000; as a result moved to another location in Wellington located at 10120 Forest Hill Boulevard #100 Wellington, FL 33414, and had to incur additional expenses. (Aff. of B.Biondo at ¶ 25).

14. THANH NGUYEN, was aware that BARRY BIONDO moved his Topsy Spa & Salon business to a new location at 10120 Forest Hill Boulevard #100 Wellington, FL 33414, but he continue to have no involvement in the nature or quality of goods and services that were offered and sold at the Topsy Spa & Salon at this location as well. (Thanh Nguyen Depo. pp. 106, lns. 1-25; pp. 107, lns. 1-25; pp.108, lns. 1-25; pp 109, lns 1-25; pp 110, lns. 1-25).

Respectfully submitted,

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CERTIFICATE OF SERVICE

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Dated: May 14, 2012

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

THANH NGUYEN, et al.,

CASE NO. 11-81156 - CIV-
MIDDLEBROOKS/JOHNSON

Plaintiffs,

v.

BARRY BIONDO, an individual, TIPSYP SPA
AND SALON INC., a Florida Corporation,

Defendants. /

**DEFENDANTS' MEMORANDUM OF LAW IN SUPPORT OF THEIR
MOTION FOR SUMMARY JUDGMENT**

I. NAKED LICENSE

**A. THE DEFENDANTS' ARE ENTITLED TO SUMMARY JUDGMENT ON COUNTS I, II,
III, IV, VII, VIII AND IX.**

Introduction

A trademark license is a means by which a trademark owner permits another party to use its trademark without relinquishing ownership of the mark. Licenses need not be in writing to be effective, and may be narrow or broad. In order to retain protectible rights in the trademark, however, the licensor must exercise actual control over the nature and quality of the goods or services offered and sold under the licensed mark. If the licensor does not do so, the result may be a "*naked license*" resulting in abandonment of the mark. Although the licensor has some flexibility regarding the degree of its quality control, but neglecting its quality control duty may lead to trademark abandonment.

Rules of Law

A completely uncontrolled or "naked" trademark license constitutes an abandonment of the licensor's rights in the mark. . See, Doebblers, 442 F.3d at 823 ("Failure to provide quality control may constitute naked licensing, leading to abandonment of the mark.")

Abandonment of a mark through naked licensing will estop the licensor from asserting any rights to that mark. In addition, naked licensing may lead to the cancellation of a trademark registration for that mark. See Barcamerica, 289 F.3d at 598 ("We therefore ... hold that Barcamerica engaged in naked licensing of its ... mark--and that by so doing, Barcamerica forfeited its rights in the mark. We also agree that cancellation of Barcamerica's registration of the mark was appropriate."); Ditri v. Coldwell Banker Residential Affiliates, Inc., 954 F.2d 869, 21 U.S.P.Q.2d 1530 (3d Cir. 1992) ("It is true that naked licensing can work an abandonment, and that abandonment is a ground for the cancellation of [registrations].") (citation omitted); Dawn Donut, 267 F.2d at 366 (stating that "the Lanham Act places an affirmative duty upon a licensor of a registered trademark to take reasonable measures to detect and prevent misleading uses of his mark by his licensees or suffer cancellation of his federal registration").

Moreover the mark will be abandoned under Section 45 of the Lanham Act, which states that a mark will be deemed to be abandoned "[w]hen any course of conduct of the owner, including acts of omission as well as commission, causes the mark ... to lose its significance as a mark." 15 U.S.C. § 1127

Abandonment through naked licensing may not act as an abandonment as to all rights in that trademark. It may be limited to only those situations in which the licensor failed to exercise quality control. Dawn Donut, 267 F.2d at 369 (2d Cir. 1958). In fact, a licensor may abandon its license only in certain locations and not others. The Ninth Circuit affirmed a district court holding that the licensor had only granted a naked

license to licensees in two locations, not to any others. Patsy's Italian Rest. v. Banas, 658 F.3d 254, 100 U.S.P.Q.2d 1001 (2d Cir. 2011). It found that "naked licensing will lead to an abandonment of a mark only where the mark loses its significance," thus "a mark owner can abandon a mark through naked licensing in a particular geographic area without abandoning its rights throughout the entire United States." Id. at 265. However, it did cancel one of the licensor's marks due in part to its partial abandonment.

Legal Argument

In this case on or about February 2008, THANH NGUYEN began to license his "Topsy" mark to Topsy Spa & Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 87 lns. 24-25; pp. 88, lns 1-6). At the same time, BARRY BIONDO purchased at least 50% ownership interest in the Topsy Spa & Salon at Wellington Reserve for \$160,000. Affidavit of BARRY BIONDO ("Aff. of B.Biondo") at ¶ 6 and 7.

Moreover THANH NGUYEN continued, without interruption, to license his "Topsy" mark to Topsy Spa & Salon at the Wellington Reserve location and new Wellington location (10120 Forest Hill Boulevard #100 Wellington, FL 33414) that BARRY BIONDO moved to after the eviction in September 2010 for back rent, throughout and up to March 11, 2011. (Aff. of B.Biondo at ¶ 25).

Most importantly on or about May 2008, THANH NGUYEN, dispute and disagreements arose between THANH NGUYEN and BARRY BIONDO, resulting in THANG NGUYEN having little to none involvement in the operation, management and the quality of services or goods provided by Topsy Spa & Salon at Wellington Reserve or the new Wellington location. More particularly, THANH NGUYEN neglected to exercise any control over the nature and quality of goods and services

provided any of the Wellington Tippy Spa & Salon locations operated and managed by BARRY BIONDO since May 2008 to present time.

As a result, THANH NGUYEN has created a **naked license** for his "Tippy" mark licensed to Wellington Tippy Spa and Salons operated and managed by BARRY BIONDO; thus abandoning his protectible rights in his "Tippy" mark at these locations. Moreover, THANH NGUYEN is estopped from asserting any rights to his "Tippy" mark at the said Wellington locations. Thus THANH NGUYEN is estopped from pursuing any federal, state or common law claims based his protectible rights in his "Tippy" mark at the said Wellington locations.

II. COMMERCIAL FRUSTRATION *(UNFORESEEN CONDITIONS)*

A. THE DEFENDANTS' ARE ENTITLED TO SUMMARY JUDGMENT ON COUNTS V AND VI

Legal Argument

Frustration of purpose refers to that condition surrounding the contracting parties where one of the parties finds that the purposes for which he or she bargained, and which purposes were known to the other party, have been frustrated to the point that the purpose of the contract has been destroyed. Camp v. Parks, 314 So. 2d 611 (Fla. 4th DCA 1975)] Moreover, the doctrine of commercial frustration is limited to cases where performance is possible but an alleged frustration, which was not foreseeable, totally or nearly totally destroyed the purpose of the agreement. See 1700 Rinehart, LLC v. Advance Am., Cash Advance Ctrs., 51 So. 3d 535 (Fla. 5th DCA 2010).

In this case, on or about May 13, 2010, BARRY BIONDO discovered that the Receiver to the Landlord for the Tippy Spa & Salon at Wellington Reserve was

demanding payment for back rent at that location for \$104, 000. The demand for back rent was a shock to BARRY BIONDO; he believed that the Landlord had forgiven the parties from back rent prior to them signing the Business Sales Agreement on March 11, 2010. Moreover the demand for payment of \$104,000 for back rent defeated purpose, i.e. the bargain, of BARRY BIONDO purchasing the Topsy Spa & Salon at Wellington Reserve for \$164,000. (Aff. of B.Biondo at ¶ 18 - 25). In conclusion, BARRY BIONDO, shall be relieved from his performance of payment under the terms of the Business Sales Agreement.

III. DURESS

A. THE DEFENDANTS' ARE ENTITLED TO SUMMARY JUDGMENT ON COUNTS VI AND VII

Legal Argument

Wrongful threats or pressure constitute duress when either: (1) the party coerced into entering the contract is threatened with violence, prosecution, imprisonment, or confinement; (2) a family member of the party coerced into entering the contract is threatened with violence, prosecution, imprisonment, or confinement; or (3) the party coerced into entering the contract is threatened with damage or detention of his or her goods or property. See Burton v. McMillan, 42 So. 849 (Fla. 1906)

In this case, on or about September 2009, THANH NGUYEN filed a domestic/repeat violence petition for injunction against, BARRY BIONDO. On or about October 2009, THANH NGUYEN stated he would drop the charges for domestic/repeat violence against BARRY BIONDO, if BARRY BIONDO would sign a contract to purchase the remaining 50% percent ownership interest in the Topsy Spa

& Salon at Wellington Reserve. (Thanh Nguyen Depo. pp. 95 lns. 7-11; pp. 96; lns. 1-25).

Moreover, shortly thereafter, March 2010 after several months of negotiations and drafting the said agreement, BARRY BIONDO signed the Business Sale Agreement in this matter under a desperate attempt to protect his investment and avoid ongoing and/or future domestic/repeat violence charges sought by the THANH NGUYEN. (Aff. of B.Biondo at ¶ 16 and 17).

In conclusion the said Business Sale Agreements shall be rescinded under the doctrine of duress.

IV. CONCLUSION

Summary Judgment is most appropriate in this case. The Plaintiffs take nothing by this suit; and Defendants shall be granted statutory damages, costs, attorney fees, and any other relief that this Honorable Court deems appropriate and just.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Document has been filed with the Clerk of the Court using its CM/ECF system and CM/ECF system will send a notice of the electronic filing to the following:

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